Is federal policy a leading factor in **job loss** among railroad employees? . . . p. 46

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November 19, 1962

RAILWAY AGE WEEKLY

WFE speeds shipments of potatoes in bulk p. 12

'Perfect' box cars are rolling laboratory p. 14

RPI salutes Rock Island, Southern, L&N, T&P p. 34

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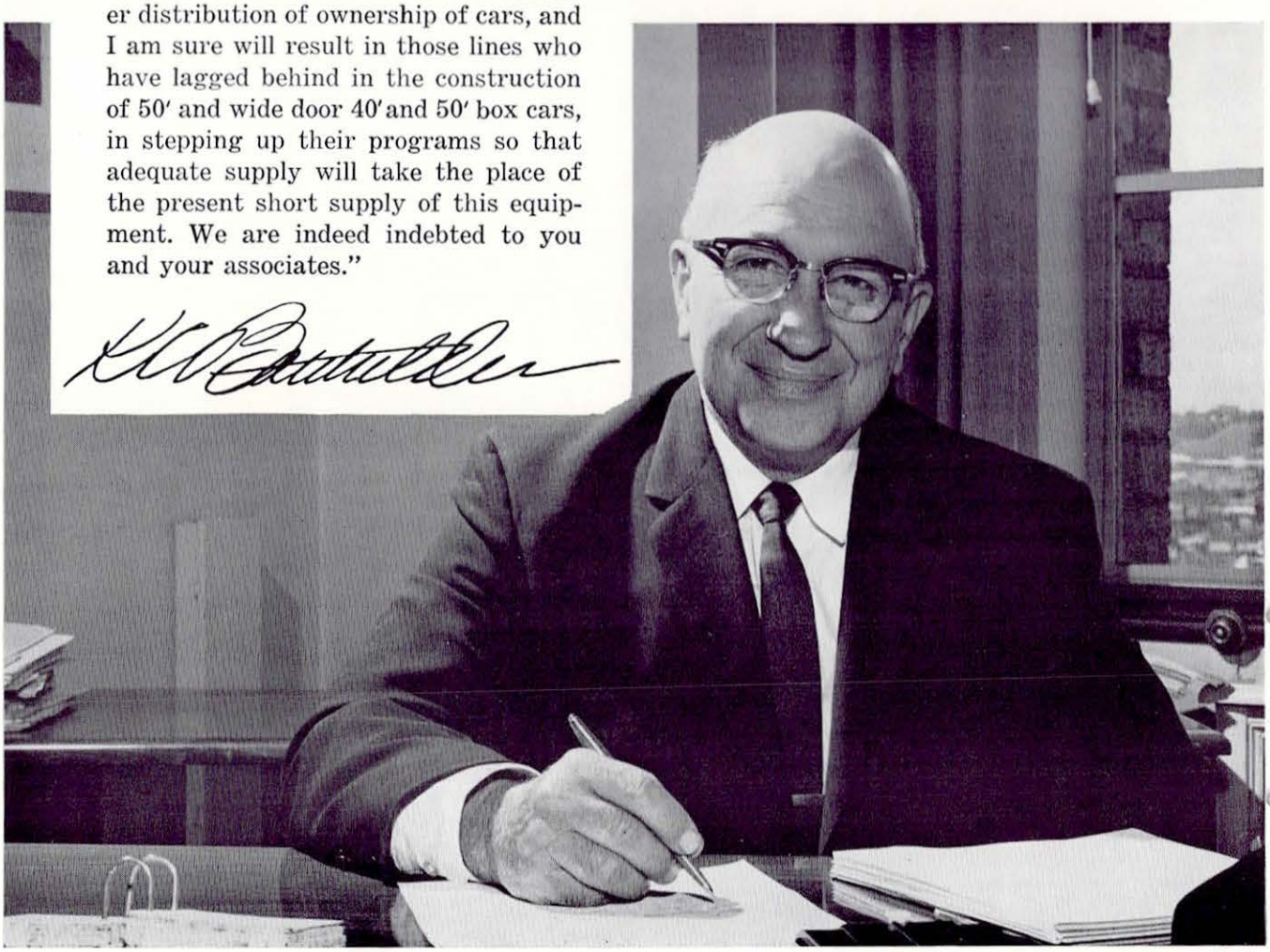
"Specifically, I wish to express appreciation for the conference on freight car supply arranged by Traffic-Transportation Editor Gardner C. Hudson in January, and the subsequent covering of the subject in the February 26, 1962 issue of Railway Age.

"This whole discussion resulted in action on the part of carriers, the Association of American Railroads and the Interstate Commerce Commission. It is having a beneficial effect upon the proper distribution of ownership of cars, and I am sure will result in those lines who have lagged behind in the construction of 50′ and wide door 40′ and 50′ box cars, in stepping up their programs so that adequate supply will take the place of the present short supply of this equipment. We are indeed indebted to you and your associates."



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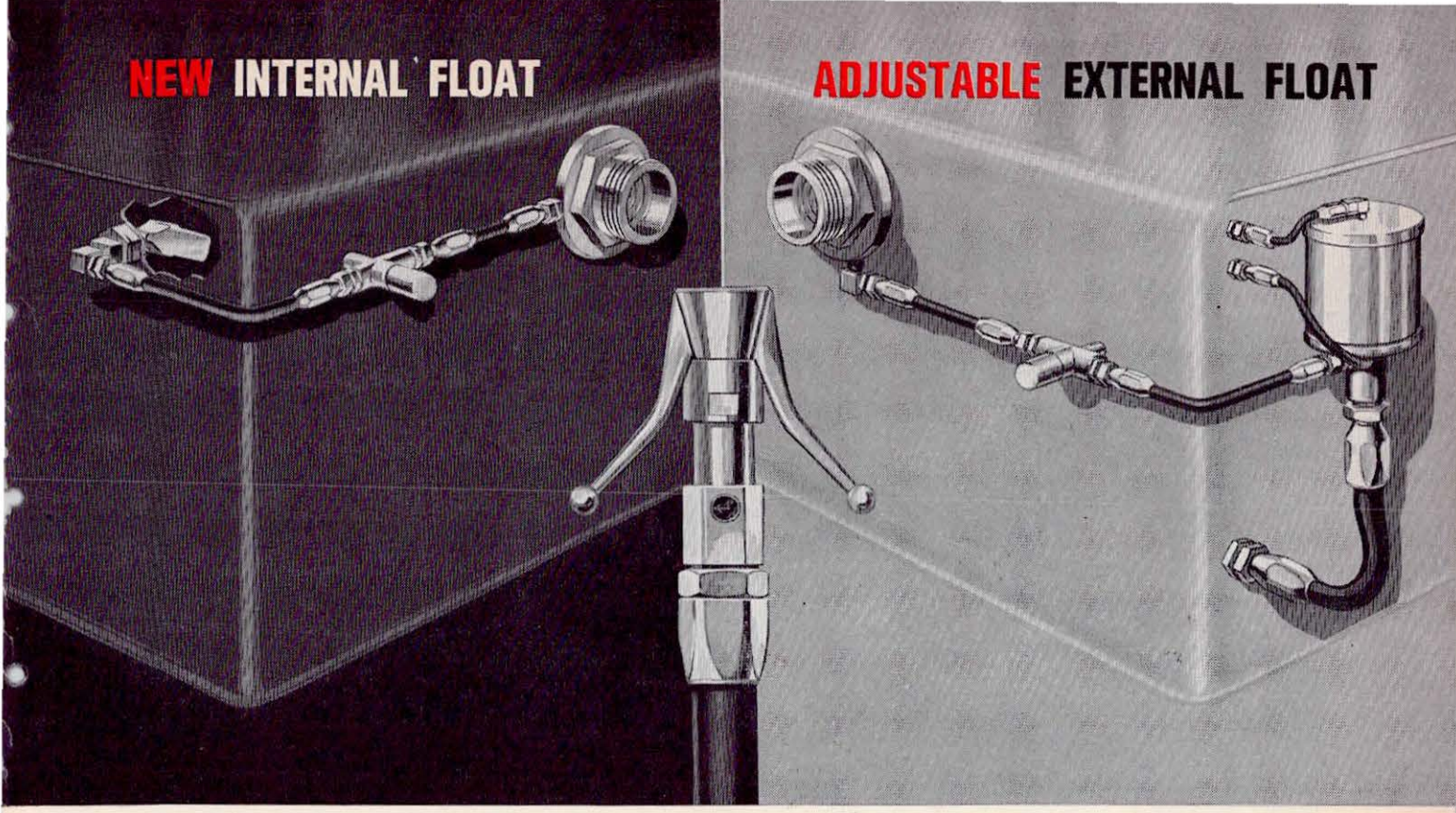

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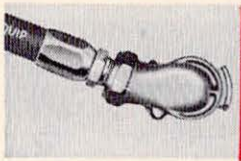

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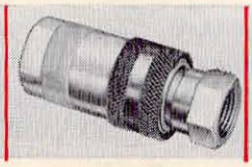

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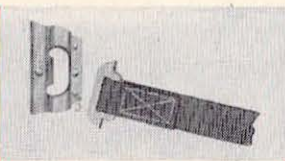

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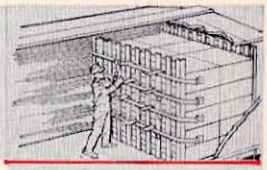

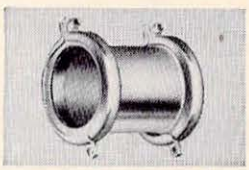

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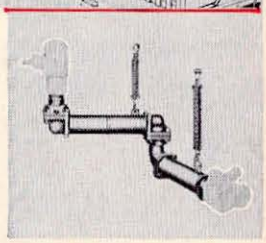

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RAILWAY AGE

WEEK AT A GLANCE

November 19, 1962 • Vol. 153, No. 21

Can railroads keep coal traffic?

Eastern and Pocahontas carriers are slashing rates on solid trainloads of coal to meet competitive threats posed by slurry-pipeline and coal-by-wire proposals .....p. 9

WFE speeds shipments of potatoes

The potatoes are being transported in specially equipped refrigerator cars. The equipment was developed by WFE in collaboration with potato chip manufacturers p.12

'Perfect' box cars are being tested

The cars, owned by Evans Equipment Leasing Co., were built to exacting specifications established after an extensive survey of shippers' needs and wants p.14

L&N modernizes 200 old cars

The structurally sound 15-year-old box cars are being converted into 1962 models to meet the demands of shippers for cars with higher capacity p.20

ICC lets Southern buy Central of Georgia

The Southern's control of the CofGa, recently approved by the ICC, will make the former a 10,150-mile system and bring annual savings of $5,857,000 .....p.28

Rock Island, Southern, L&N, T&P win RPI awards

Awards honoring the four carriers for outstanding sales promotion in 1962 were presented at the annual dinner of Railway Progress Institute in New York p.34

Suppliers pledge aid to carriers

RPI's leadership has been authorized to take any action necessary to obtain for railroads "full equality of opportunity to compete in transportation" p.35

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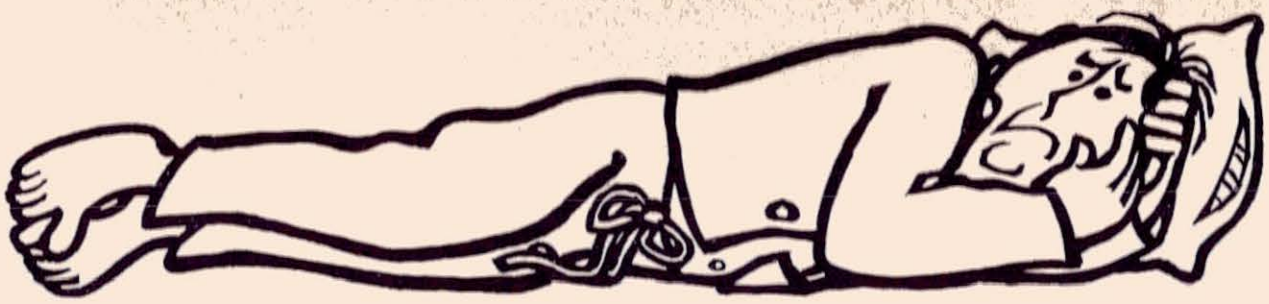

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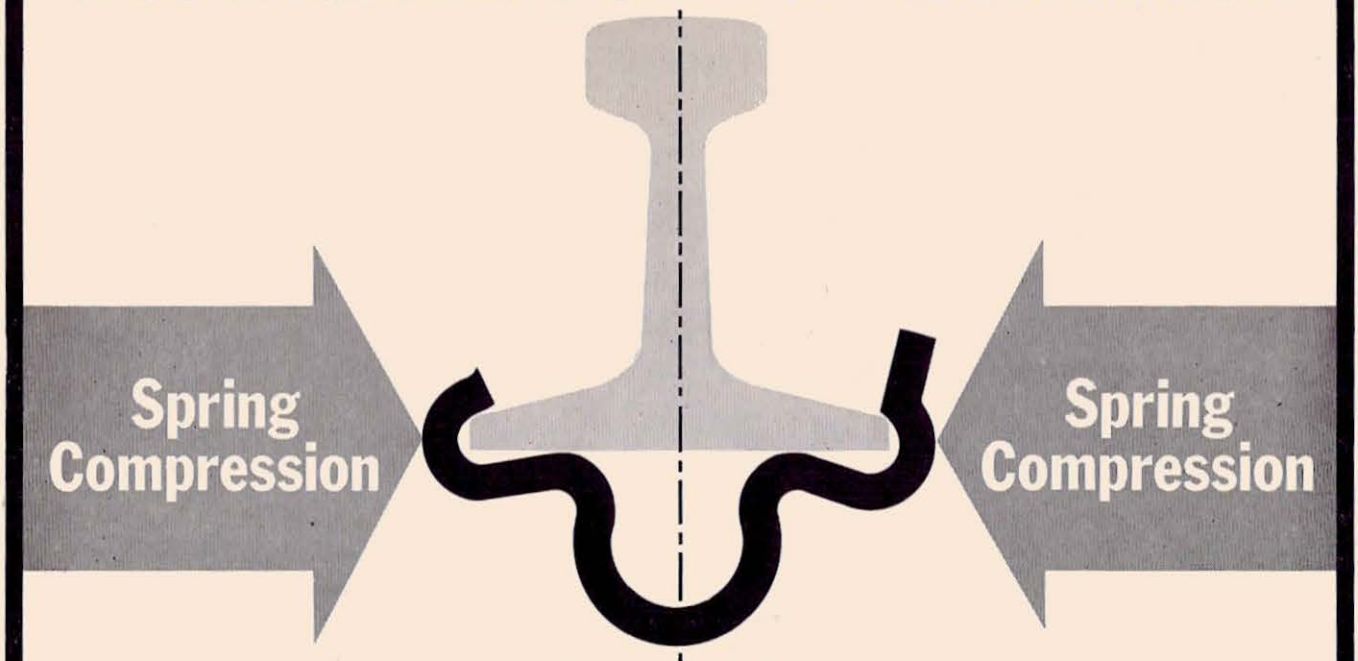

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WEEK AT A GLANCE

Loomis: 'Time is fast running out'

The Cuban crisis underscores the need for swift and favorable Congressional action on President Kennedy's transport program, says the AAR president p.40

The Action Page—Who's cutting off the railroad jobs?

Relatively few railroad unionists seem to understand that the principal author of the disastrous reduction in railroad employment since World War II is Uncle Sam p.46

Short and Significant

Class I freight-car fleet . . .

totaled 1,566,865 units on Oct. 1, with average carrying capacity of 56.21 tons per car, compared with 1,620,933 cars, and 55.65 tons average capacity, a year ago.

New high in piggyback loadings . . .

was recorded during the week ended Nov. 3, when 15,996 cars were loaded with trailers. TOFC loadings totaled 13,498 in the corresponding 1961 week.

Class I railroad employment . . .

averaged 692,861 in October—1.14% above the preceding month but 3.94% below the year-ago figure, according to the ICC's Bureau of Transport Economics and Statistics.

Detailed financial and engineering planning . . .

for the San Francisco Bay Area's billion-dollar rail rapid transit system has started, following voter approval of a bond issue to finance the project.

Current Statistics

Operating revenues	
6 mos., 1962	$4,703,650,132
6 mos., 1961	4,417,470,000
Operating expenses	
6 mos., 1962	3,713,490,394
6 mos., 1961	3,594,534,970
Taxes	
6 mos., 1962	531,960,577
6 mos., 1961	482,452,262
Net railway operating income	
6 mos., 1962	265,495,659
6 mos., 1961	145,845,950
Net income estimated	
6 mos., 1962	171,000,000
6 mos., 1961	62,000,000
Carloadings revenue freight	
45 wks., 1962	25,192,161
45 wks., 1961	24,889,638
Freight cars on order	
Oct. 1, 1962	11,064
Oct. 1, 1961	10,133
Freight cars delivered	
9 mos., 1962	29,652
9 mos., 1961	25,186
Serviceable cars	
Sept. 1, 1962	1,437,496
Sept. 1, 1961	1,470,420
Cars awaiting repairs	
Sept. 1, 1962	135,257
Sept. 1, 1961	153,570

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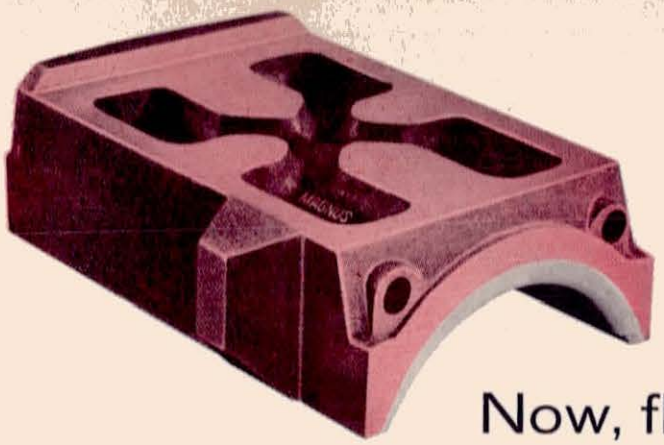

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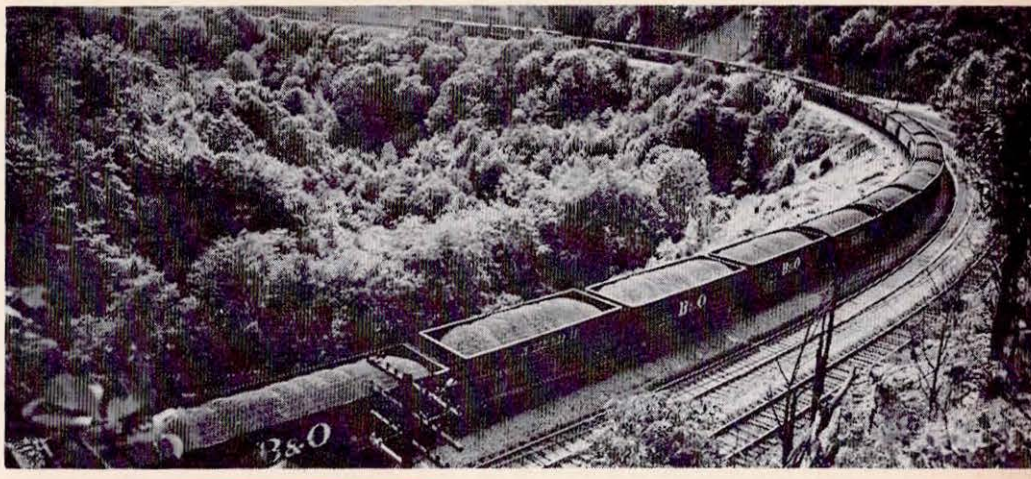
Can RRs Keep Coal Traffic?



By hauling coal in solid trainloads at reduced rates, railroads hope to meet threat posed by coal-slurry pipelines and 'coal by wire.'

Eastern and Pocahontas region railroads are building up points in a determined fight to keep coal moving by rail—rather than by pipeline or by wire.

At the moment, railroads have an edge. They're in business, operating, moving coal. Pipelines are the immediate threat (and coal-slurry line backers are confident their bid for eminent-domain privileges will pass the next Congress). But the coal-by-wire competition is coming—and soon.

Improved service and rate reductions made possible by the integral-train concept give the rails a potent weapon to head-off these new rivals—and they're using it.

The stakes are tremendous. Coal isn't very glamorous—compared to piggyback or hotshot merchandise trains or reefer blocks moving on expedited schedules. But loss of any significant part of their coal business would tear the guts out of the freight revenues and profits of many a railroad—and between the twin threats of coal pipeline construction and installation of power stations at mine mouths, railroads are facing possible disaster for their hopper-car traffic.

Here's how the competition is shaping up—and how the rail carriers are trying to fend it off.

Consolidation Coal Co.—only present operator of a coal pipeline—has been the major advocate of such facilities. But Consol has been joined by Texas Eastern Transmission Corp., which now proposes building lines from West Virginia to the New York area and from Utah to southern California (in conjunction with Consolidation in both instances).

The eastern line was the one which produced controversy over the eminent-domain issue in the last Congress. The states involved refused to grant passage rights—and Congress did likewise. But a spokesman for Texas Eastern told Railway Age last week that his company "firmly expects" they'll get the condemnation privilege from the next session of Congress. The proposed line would cost $100 million—and might well do irreparable damage to competing coal-hauling railroads. Armed with eminent-domain rights, pipeline promoters are ready to move right ahead toward an opening of a line by 1965. They're expecting to carry about 8 million tons of coal per year—at a reduction of approximately $1.50 per ton under railroad rates.

Backers of the pipeline don't lack for confidence. A spokesman for Texas Eastern quotes the Secretary of the Interior as saying that only the timing of the eminent-domain bill was bad (it came in an election year). And, this spokesman adds: "We don't think the railroads can compete with this pipeline—though there are areas where they will continue to have the traffic."

Without waiting for the eastern pipe to become a reality, Texas Eastern's planners are already looking west. A 500-mile coal-slurry line from Utah to southern California is "past the study and engineering stage" and conferences have begun with potential shippers—who, according to Texas Eastern, are "highly interested." Unlike the eastern line, this Utah venture would involve coal which might be hauled by rail—not coal which already moves in hopper cars.

Meanwhile, Texas Eastern is emphasizing the support of President Kennedy for the right of eminent domain for interstate pipelines. Progress, the company's financial vice president declared recently, "awaits legislative action to give us the right of eminent domain(without which the line may not be possible because of the determined obstructive tactics and opposition of the railroads." Such a bill was introduced at the last session of Congress, TE's J. W. Hargrove noted—and he predicted that, next time around, the bill will be approved.

While pipelines occupy immediate attention, railroads are not ignoring the threat of coal-by-wire.

Right now, Virginia Electric and Power Co. is working, in West Virginia, on what's billed as the free world's first 500,000-kilowatt electric transmission system. VEPCO plans to spend $156 million to construct a power generating station virtually at mine-mouth and to transmit power over a $45 million extra-large capacity line system to its consuming area.

VEPCO expects to have its new facility in operation by March 1965. How will it affect coal-hauling railroads? Virginia Electric and Power last year spent a reported $27.8 million for coal. About half the total—$13 million, or $4 per ton—was spent for transportation. With the mine-mouth generating plant in operation, the company expects to burn coal and produce power in West Virginia—and eliminate transportation costs of about $11.2 million which would be incurred if VEPCO hauled the coal east, closer to the consuming areas.

With the integral-train concept, and the economies which it can produce, railroads are fighting back—against pipelines, mine-mouth generating sta-

WATCHING WASHINGTON WITH WALTER TAFT

• **ANOTHER ATTEMPT** has been made to interpret the 1958 Transportation Act's rate-freedom provision. ICC Examiner Henry C. Lawton has tried it in making the provision a basis for recommending that the Commission permit elimination of 20-year-old differentials which have kept some all-rail rates higher than competing rail-water rates. The rates involved apply on iron and steel pipe and related articles moving from Official Classification Territory to Southwestern Territory. Examiner Lawton's interpretation and recommendation came in his proposed report on further hearing in I&S No. 4815. This old case was reopened to reconsider the railroads' plea for vacation of that part of a Commission order of April 13, 1942, which requires the differentials.

PROTESTANTS include only one water carrier—Seatrain Lines. Its protest is supported, however, by several shippers who are among its customers or assert an interest in maintenance of coastwise service. Seatrain contends that it can only operate under rates differentially lower than the all-rail rates, and argues that the law requires that there shall be water transportation.

THE RATE-FREEDOM PROVISION is now Section 15a(3) of the Interstate Commerce Act. It includes the anti-umbrella rule which says "rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in the Act."

MOST COMMISSION AND COURT DECISIONS, on which Seatrain relies, antedate enactment of the rate-freedom provision, Examiner Lawton points out. He follows through to suggest that Congress, having enacted the provision "against the background of such Commission and court holdings, obviously intended that a different policy should thereafter be followed in appraising the lawfulness of competitive rail and rail-water rates."

COMMISSION DECISIONS since 1958 were not much help to the examiner. He notes that some early decisions of this period reflect a Commission policy of approving rates if they were compensatory and did not violate any provision of the Act. In subsequent cases, however, he notes that compensatory rates were condemned on the basis of findings that they contravened the national transportation policy. Twenty-two decisions of the former type and 15 of the latter variety are cited by Mr. Lawton.

THESE "APPARENT SHIFTS" in Commission policy are attributed to the vagueness of the call for "due consideration to the objectives of the national transportation policy." In spite of court interpretations thus far available, that language, as Mr. Lawton reads it, "leaves much to be desired from the standpoint of clarity."

NEVERTHELESS, the examiner does find it clear that Congress did not intend that water carriers should be subsidized at the expense of the railroads. The history of the rate-freedom provision indicates to him a Congressional intent that "such subsidization, if it existed, should be terminated."

BECAUSE he thinks it does exist in this case, Mr. Lawton would have the Commission terminate it. The 1942 order requiring the differentials is requiring the railroads "to hold a rate umbrella" over Seatrain, he advises.

tions and even the nuclear-energy power plants now operating in a few areas.

Norfolk & Western has put in reductions—and, last week, four other roads joined the movement. New York Central, Pittsburgh & Lake Erie, Pennsylvania and Pittsburg & Shawmut announced rate cuts amounting to 17% to 20% on coal shipped in trainloads from mines in West Virginia and Pennsylvania to power generating stations in the New York area. Baltimore & Ohio, which announced proposed reductions last summer (RA, July 9, p. 7) is now drafting its proposal, based on conferences with coal shippers and receivers.

The NYC-P&LE-PRR-P&S proposal involves a cut of 85 cents per ton on coal moving in quantities of at least 8,800 tons (about 135 carloads) in one train loaded within a 24-hour period at one of a number of mines in four originating districts.

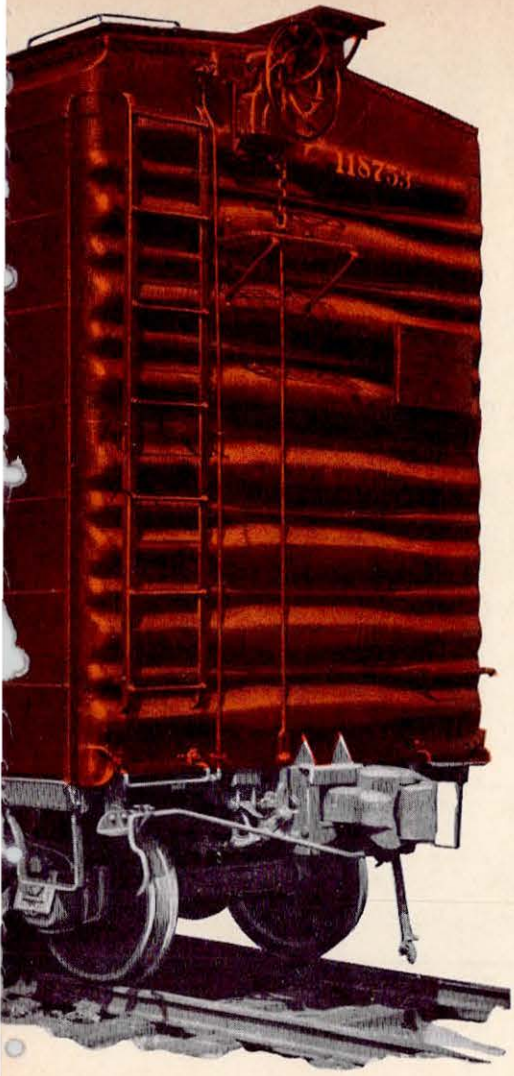
Solid coal trains would move to South Amboy or Weehawken, N. J.—to be dumped into barges at South Amboy for delivery to power plants in the New York harbor area or to be delivered to an electric plant at Weehawken. In either case, the train "must be unloaded within 24 hours to return to the mines for another 8,800-ton load."

Standard hopper cars assigned to such a unit train, the railroads indicated, "can haul each year as much as five times more coal than is possible in regular service, and this saving, along with elimination of switching and yarding en route in both directions, enables us to operate unit trains profitably under the lower rates."

The four-road proposal still has to go through the Traffic Executive Association of the eastern railroads for approval before being filed with the ICC. But, said NYC, P&LE, PRR and P&S, "rate reductions, if agreed to by the other railroads and the ICC, are a step toward meeting this growing competition."

N&W, meanwhile, has cut rates by 57 cents per ton—with somewhat more liberal provisions for shippers N&W's rate applies to group-origin coal assembled at Roanoke, Va., and moved from there in solid trainloads of 100 cars to Perth Amboy, N. J.

B&O hasn't yet announced specific plans for coal-rate cuts. But, the road has indicated, the solid-train concept will permit "major reductions" in charges for trainload movements of 4,500 or 9,000 tons. Rates are expected to become effective next April 1, barring suspension by the ICC. B&O indicated earlier that it plans to file tariffs before the end of the year.



All cars coupled at speeds that exceed "normal handling" need this

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50%

EXTRA PROTECTION

The WAUGH-GOULD TYPE 700

FRICTION-RUBBER DRAFT GEAR

WAUGH EQUIPMENT COMPANY

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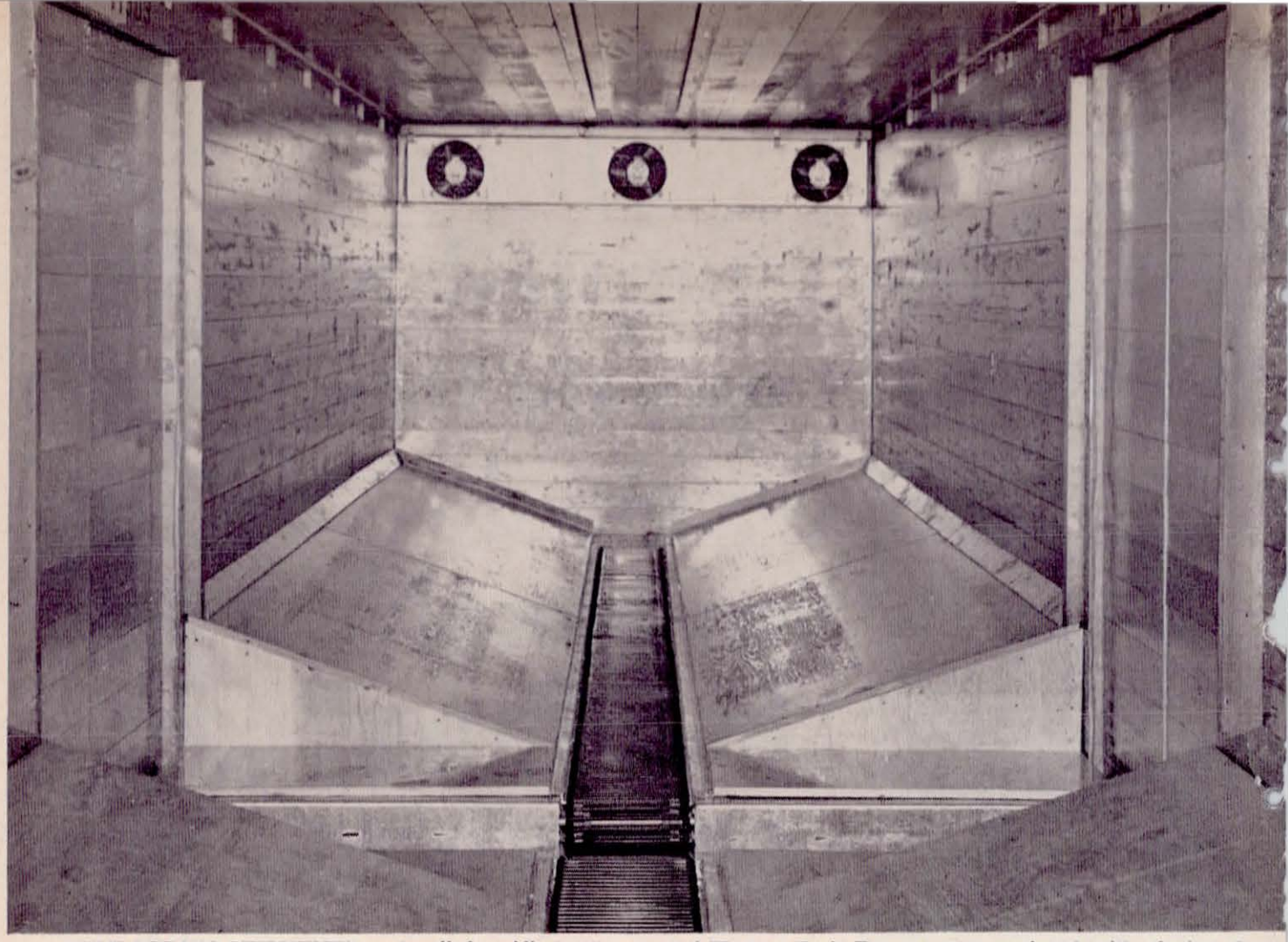


BULK POTATO SHIPMENTS are handled rapidly in 75 converted Western Fruit Express cars equipped with sloping floors

WFE Speeds Shipment of Potatoes

Specially equipped refrigerator cars are transporting potatoes from the Red River Valley of Minnesota and North Dakota in bulk loads to potato chip plants.

Western Fruit Express, a subsidiary of the Great Northern, developed the special equipment in collaboration with the potato chip manufacturers. WFE has converted 75 standard RS 40-ft end-bunker cars for the service.

The new cars, said E. C. Grayson, WFE district manager in St. Paul, Minn., "permit shipment of more than 60,000 lb of bulk potatoes in each refrigerator car, compared with a 50,000-lb movement of sacked spuds. This service reduces bruising and assures rapid loading and unloading. The cars have handled loads during severe winter conditions under heater service using thermostatically controlled liquid fuel heaters. The loads arrived at destination in perfect condition. Other shipments have been handled in mild weather under ventilation service and during summer conditions under refrigeration, with equally good results."

The shipper must supply conveyor equipment for loading potatoes into the car and for distributing them to the ends of the car. For the latter, WFE has designed an aluminum reversible belt conveyor which may be suspended from rails permanently attached to the car ceiling to permit movement from one end of the car to the other as loading progresses. The conveyor, which is estimated to cost from $500 to $650, includes detachable hangers with vertical adjustment to lessen bruising of potatoes dropping off the end.

The conveyor design furnished by the receiver to fit the cross conveyor channel in the car to unload potatoes will vary, depending on conditions at the receiver's plant. Cost of the motor to drive the car conveyors is estimated at $150 to $200. Estimated cost of converting each car is $1,500.

The cars are equipped with side wall flues, electric air circulating fans in each bulkhead, and standard ice bunkers. The bunkers are adjustable for stage icing with a maximum capacity of 10,000 lb of chunk ice.

In converting the cars, the standard herringbone floor racks were removed and replaced with 1-in. deck-graded plywood false floor sloping from a 2-ft height at each sidewall to approximately 10 in. at the middle of the car. A 16-in. wide flat section covered by 1- by 15-in. plywood removable pick-out boards extends from the bulkhead to the doorway section.

The sloping floors extend from the bulkheads to the doorway, with a flat area at the doorway 10 in. above the car floor. Permanently installed conveyors under the flat centerline section of the floor, consisting of 5/16 by 12 1/2- by 1-in.-pitch Draper steel rod chain operating on 4-in. sprockets, extend from each end of the loading space to the doorway. A 16-in. channel is provided at the doorway across the car for inserting the portable conveyor to be supplied by the receiver for unloading the potatoes.

Removable pick-out boards cover

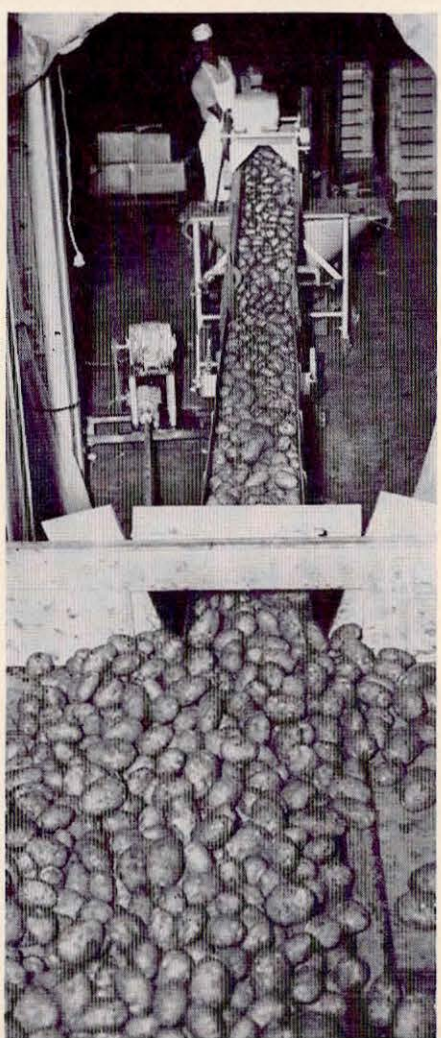
nd built-in conveyors. Unloading operation is observed by T. B. Arledge, assistant plant superintendent, Morton Foods.

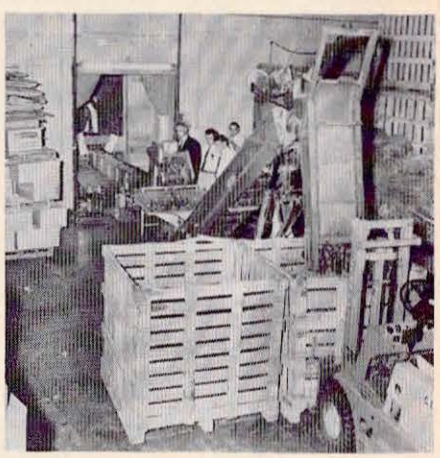
n Bulk

the 16-in. channel across the width of the car. Across the doorways, 2- by 10- by 54-in. pick-out boards are inserted as the loading progresses. The boards are removed during unloading.

Drive shafts on each of the centerline conveyors extend to both sides of the car, with a jaw-type coupling on each of the four shaft extensions for operating the car conveyors. These are accessible only when the car doors are opened. Horizontal pipe sockets support a 3/4-to-1-hp., 80-to-100 rpm gear-head driving motor supplied by the receiver. A shaft extension on each side of the motor is fitted with jaw couplings to engage similar fittings on the car conveyor headshafts. This arrangement makes the motor interchangeable for operating conveyors on either end of the car from either side.

The receiver furnishes the power source, wiring and switch for starting and stopping the motor, and the outlet for operating the conveyors. In normal operations, the motor is attached on the side opposite the unloading door.





POTATOES move directly on second warehouse conveyor to skid mounted bins for movement by lift truck, eliminating any manual handling. Cars use liquid fuel heaters for cold weather, ventilation for mild weather and refrigeration for hot weather operations. Heaviest load to date is 64,200 lb.

UNLOADING CONVEYOR shown at left is furnished by receiver and fits into cross conveyor channel at center of car. Chain conveyors on longitudinal centerline of car are powered by wheel mounted motor with universal jointed drive shaft shown at left of warehouse conveyor.

'PERFECT' BOX CARS are equipped with 10-ft plug doors, staggered, as requested in a shipper survey made before Evans ordered the cars. Instructions for operating DF-B equipment are posted near the doors.

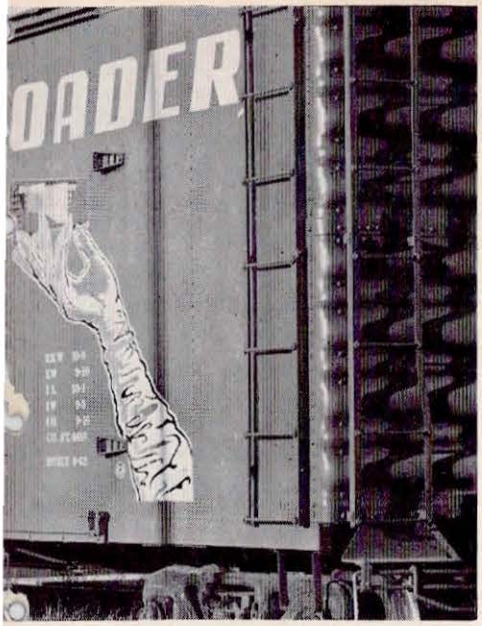
WIDE DOOR opening on car gives fork lift trucks plenty of room to maneuver palletized loads into the car. EELX units are equipped with sidewall filler devices and DF-B bulkheads (right) which can be stowed against the sidewall.

'Perfect' Box Cars AreTested

Five unusual box cars were sent after some important answers for railroads, shippers and suppliers alike early this month. Various shippers across the country began getting "perfect" box cars spotted at their loading docks.

The brilliant blue and white cars, owned by the Evans Equipment Leasing Company, represent a projected two-year, $200,000 effort by the Evans Products Co. to get some valuable data. In addition to furnishing deluxe transportation service for railroad customers, the cars will tell exactly how (and how soon) such elaborately equipped cars pay for themselves through heavier lading, reduced freight damage and less maintenance.

The five EELX cars placed in service this month were built to specifications established by an Evans survey of shippers. The "perfect" box car established by shipper consensus was a high-cube car and had a floor level not more than 48 in. from the rail for proper dock loading. It also featured floors of hard wood for handling forklift equipment, modern cushion underframing, bulkheads to prevent shifting



of lading in transit and adjustable sidewall fillers so car width could be adjusted to eliminate voids when handling palletized shipments.

Evans ordered five box cars built to these exacting specifications, to act as demonstrators, so that railroads and shippers could get first-hand operating experience with what shippers regard as perfect cars. The cars delivered to Evans late in October and early in November were 50 ft long, RBL type with 10-ft staggered plug doors and had a capacity of 4,618 cubic ft. The special equipment installed in the cars is designed to keep lading orderly, compact and damage-free in transist.

Specific and complete lading, revenue, weight, maintenance and damage records will be kept over the next two years on the EELX cars. The records are expected to show accurately:

- How much revenue a railroad can produce by such cars in comparison with ordinary box cars.
- How much heavier these cars can be loaded compared with common box cars.
- How damage claims with this kind of car compare with those for ordinary box cars.
- How much maintenance savings occurs on the car structure as a result of the cushioned underframe.
- How cost of dunnage in a perfect car differs from that of ordinary box cars.

The test has been set up so that an Evans engineer will be present every time the cars are loaded and unloaded. A report filed to Evans' headquarters at Plymouth, Mich., will indicate type and weight of lading, rate paid, and the origin and destination. The reports will be filed with comparative figures showing weight normally shipped, average cost of dunnage with ordinary box cars for the same commodity.

The flow of reports concerning the EELX cars operating in general railroad service (shippers will pay the going rate for the type commodity loaded and the railroad will pay the usual mileage rate) will be analyzed by J. J. Conway, vice president and general manager of Evans Transportation Equipment and Industrial Division; J. R. Byrne, general manager of Evans railroad equipment operation; R. K. Tobin, general sales manager of Evans railroad equipment operation, and J. P. Moorehead, Evans director of engineering and research.

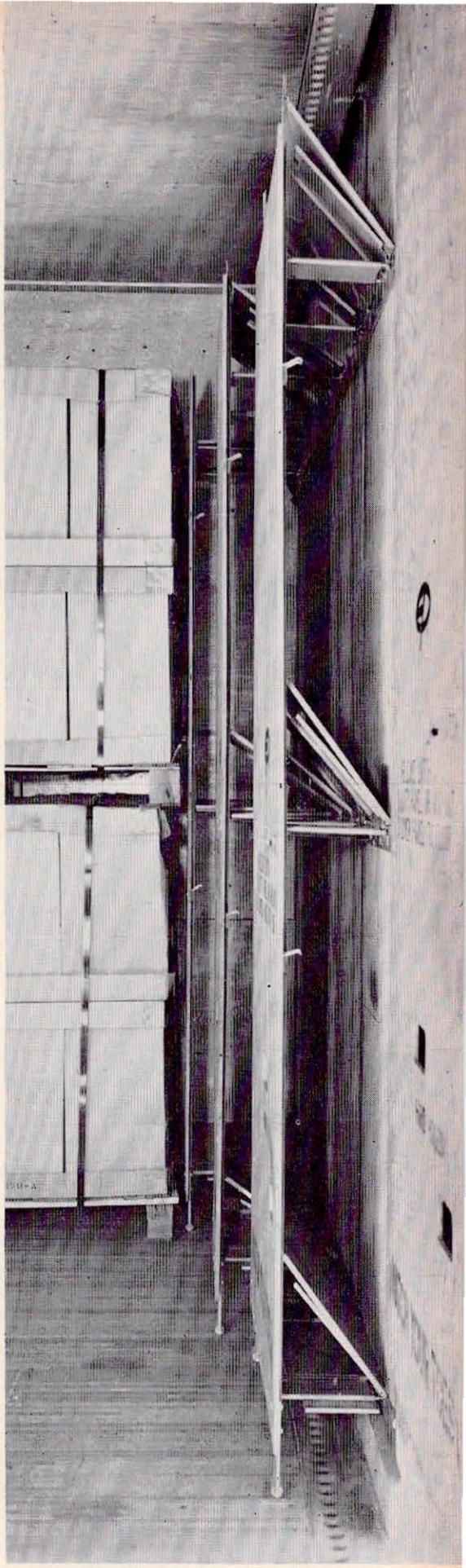
An aspect of the cars thought by Evans to be of vital importance in the near future was described by Evans' president, Edward S. Evans, Jr.:

"The rapidly developing material handling field makes the devices on these cars even more important—not only because of improved freight damage prevention capability—but because of the fact that they allow such improved economies in quick loading and unloading of freight, thereby making the cars an integral part of better material handling processes."

The EELX "rolling laboratory" idea originated after narrowing profit margins had forced many shippers to palletize shipments, to reduce costs. Notes Evans' Railroad Equipment General Manager J. R. Byrne, "One of the country's largest shippers, a grocery chain, will be 100% palletized at all locations by the end of 1963." To adapt rail equipment to the new techniques, Evans began developing devices aimed at adjusting box car walls and bulkheads to pallet load widths.

Mr. Conway pointed out that, "The competitive position of the railroads makes it necessary for them to watch every penny. But we feel certain of our equipment, that it pays for itself in short time. We regard the cars as a chance for railroads to see and use a completely equipped car for their own test purposes. We also hope railroads who have not gotten cushioned underframe-equipped cars will see how much the Hydra-Cushion device helps prevent damage to the structure of the car—as well as to the lading."

Pacific Car & Foundry built the EELX cars to Evans' specifications. The Hydra-Cushion Underframe was provided by Hydra-Cushion Inc., which is jointly owned by Evans and the Waugh Equipment Co. The DF-B bulkhead and adjustable Sidewall Filler devices with which the cars are equipped were built by Evans. Supplier of the floors was the D. B. Framp-



SIDEWALL FILLERS can be adjusted to three positions to eliminate voids when cars are used to handle palletized shipments.

1951
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What Do Brake Shoes Really Cost?

You've got to figure all the costs to get a true picture of brake shoe costs. Take the new A-12 METAL brake shoe for switchers. Introduced just over a year ago, the A-12 shoe is now used by more than 90 per cent of Class I railroads. Here are the dollar-and-cent facts behind this remarkable acceptance:

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2. This metal brake shoe requires no costly equipment changes.
3. This metal brake shoe is engineered for the service. It gives faster flat switching than you can get with other type shoes . . . permitting savings in operations.
4. Metal brake shoes give dependable, predictable braking under all conditions.
5. Metal brake shoes cause less wheel wear.

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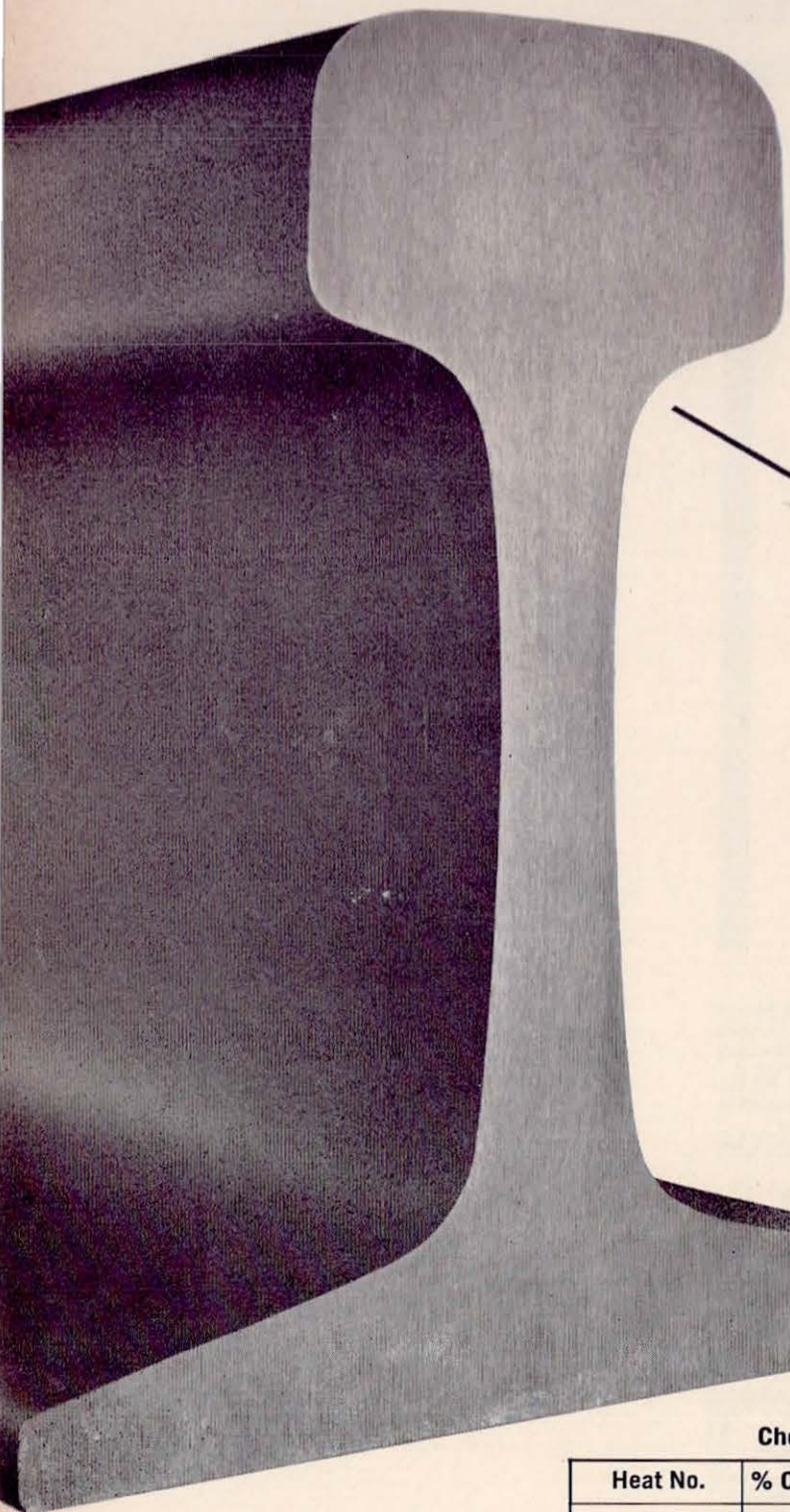
CF&I STEEL

PROGRESS REPORT:

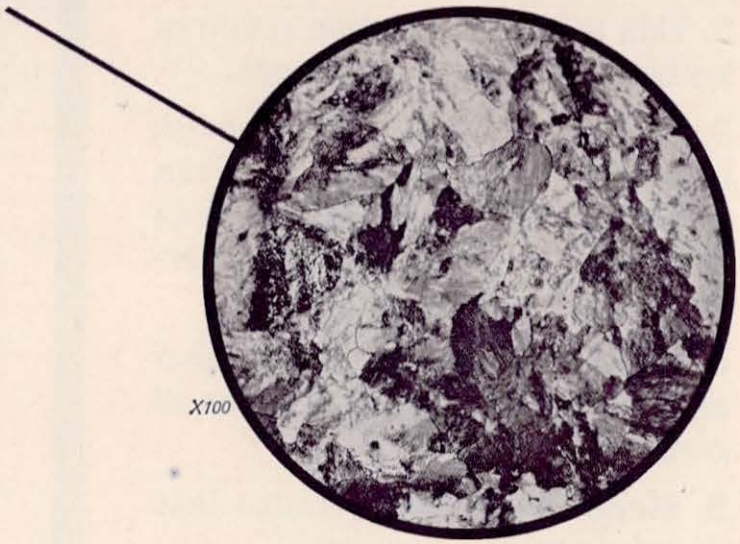
Basic Oxygen Steel Rail...

Basic oxygen steel, being made by CF&I and used in the manufacture of rail, is a product of continuing research, progress and cooperation with Western railroads. Already several roads are using and evaluating the performance of CF&I Basic Oxygen Steel rail on their mainlines.

In addition to mainline installations, mechanical property tests were made on both CF&I Oxygen Steel and Open Hearth Steel rails. All tests performed have been on rail taken at random from scheduled CF&I production rollings. The results are shown below.



CF&I 136 lb. rail section
Basic Oxygen Steel Heat X-0763



CF&I Basic Oxygen Steel Microstructure...Pearlite

Average Mechanical Properties: CF&I Basic Oxygen Steel

Tensile Strength psi	Yield Strength 0.2% psi	Elongation in 2" %	Reduction of Area %	Brinell Hardness
132,625	76,375	13.88	17.50	255

Chemical Analysis: CF&I Basic Oxygen Steel

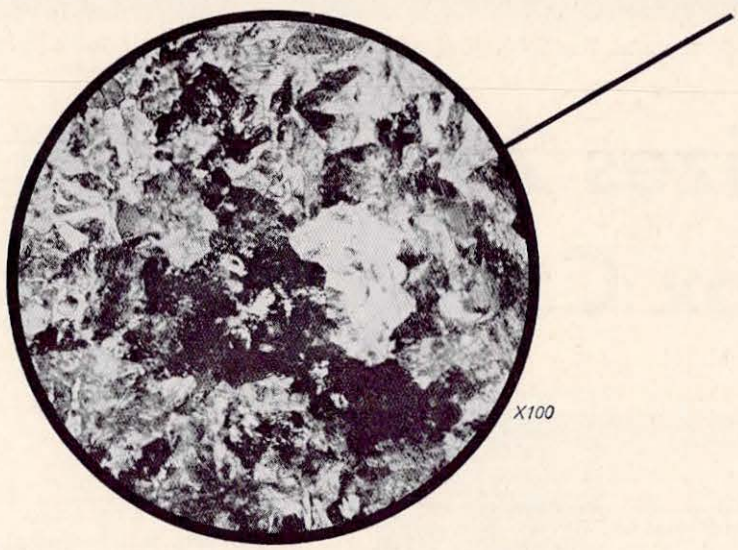
Heat No.	% Carbon	% Manganese	% Phosphorus	% Sulphur	% Silicon
X-0763	0.75	0.83	0.026	0.017	0.15
AREA Specifications	0.69-0.82	0.70-1.00	Max. 0.04	—	0.10-0.23

D-100

...Open Hearth Steel Rail

Micro-photograph enlargements showing the comparative Pearlite microstructures of the illustrated CF&I Oxygen and CF&I Open Hearth Steel rails were also taken from regular production of the 136 lb. section. Chemical analyses of each rail are also given.

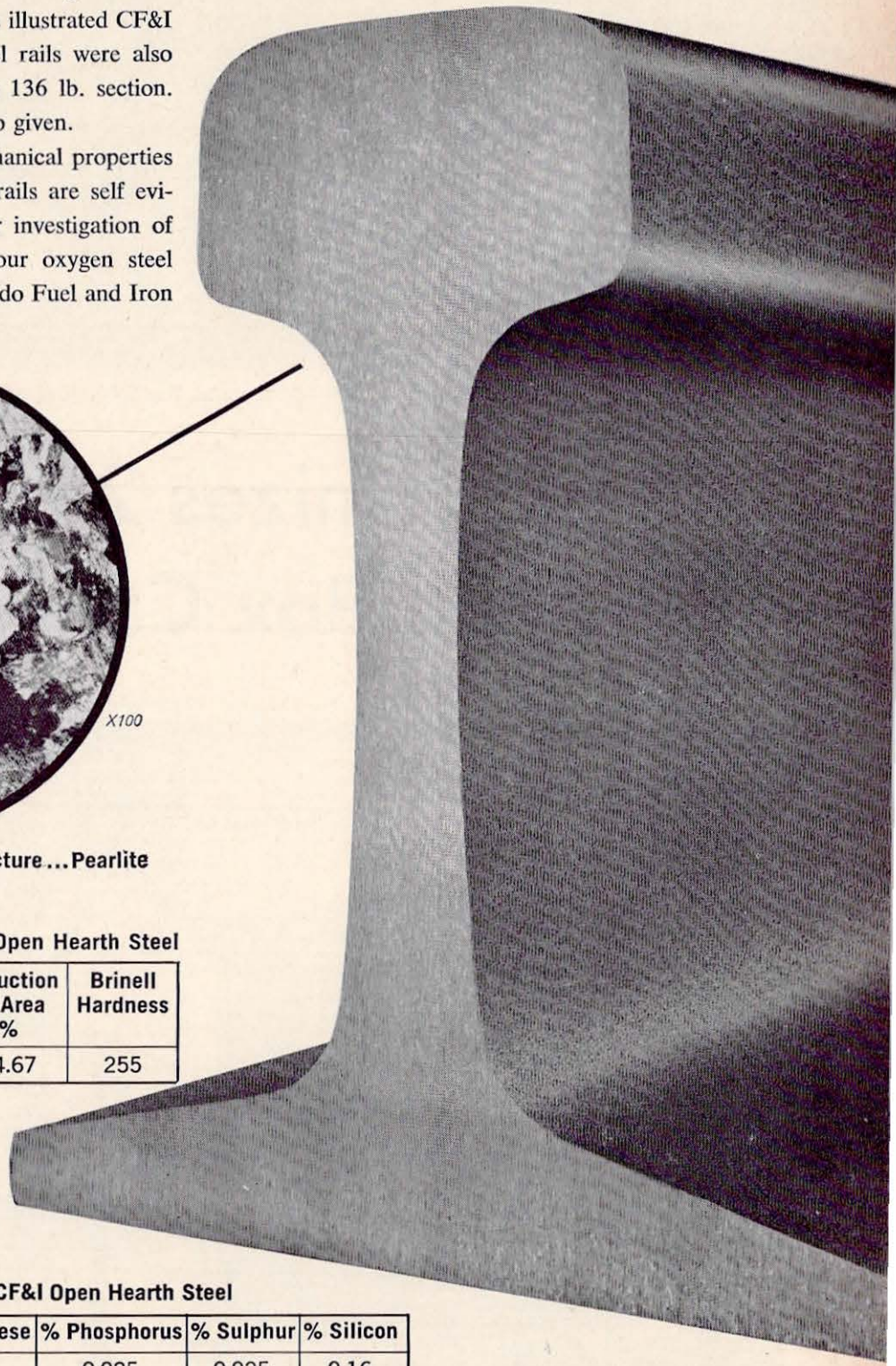
Comparative values of the mechanical properties and chemical analyses of these steel rails are self evident. We invite you to continue your investigation of basic oxygen steel rails by visiting our oxygen steel plant at Pueblo, Colorado. The Colorado Fuel and Iron Corporation, Denver, Colorado.



CF&I Open Hearth Steel Microstructure...Pearlite

Average Mechanical Properties: CF&I Open Hearth Steel

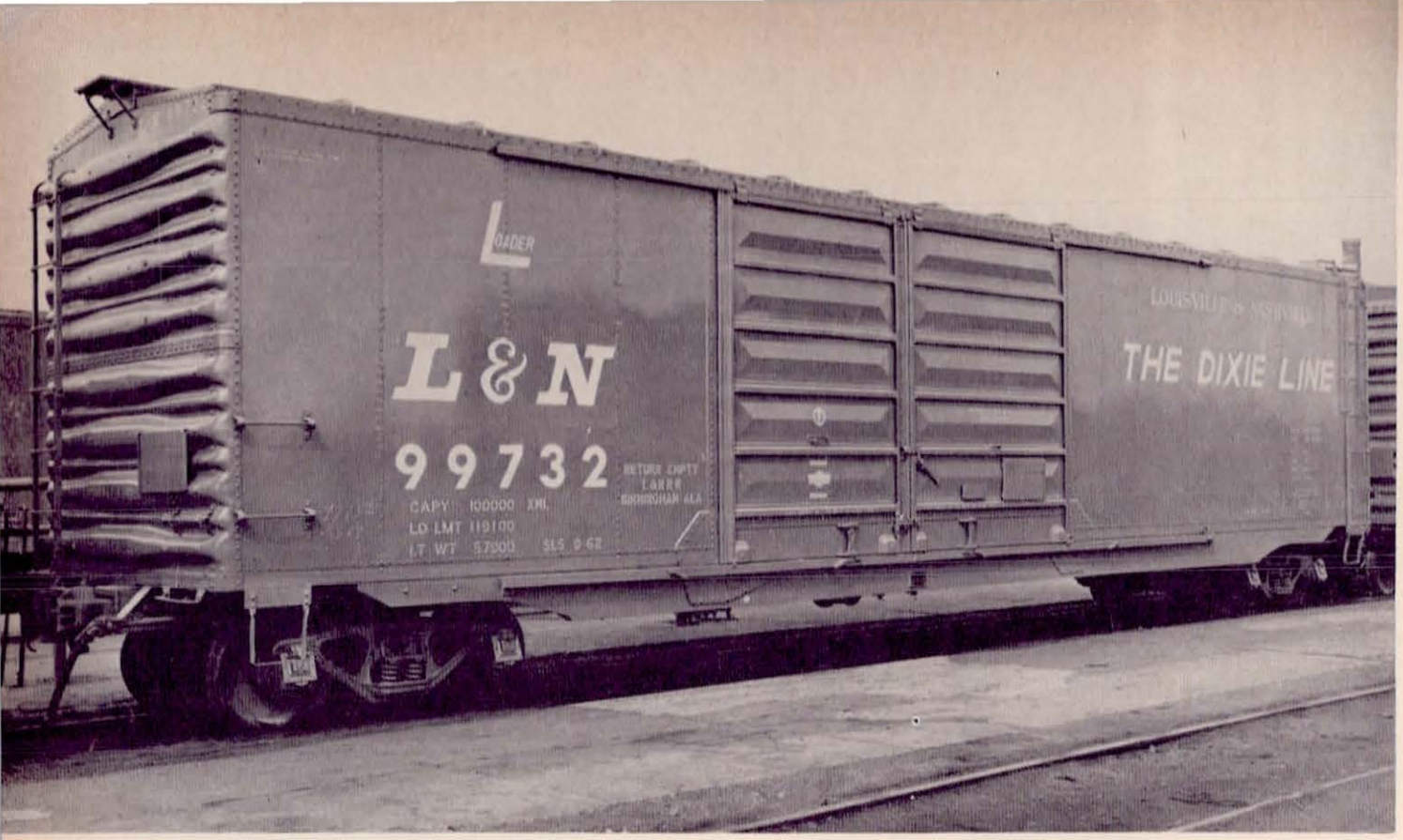
Tensile Strength psi	Yield Strength 0.2% psi	Elongation in 2" %	Reduction of Area %	Brinell Hardness
134,150	71,463	11.13	14.67	255



Chemical Analysis: CF&I Open Hearth Steel

Heat No.	% Carbon	% Manganese	% Phosphorus	% Sulphur	% Silicon
71-162	0.72	0.85	0.025	0.025	0.16
AREA Specifications	0.69-0.82	0.70-1.00	Max. 0.04	—	0.10-0.23

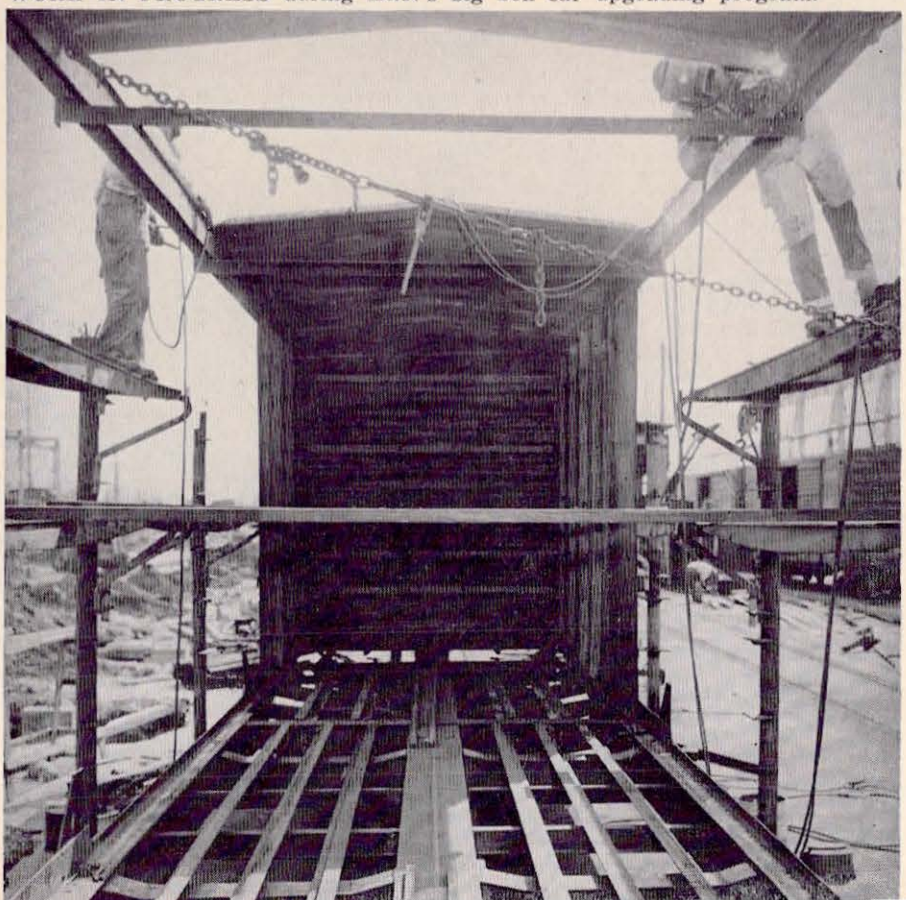
CF&I 136 lb. rail section
Open Hearth Steel Heat 71-162



CONVERTED CAR (above) is one of the 100 50-ton units. The L&N is also converting 100 box cars into 70-ton units.

L&N Modernizes 200 Of Its Old Box Cars

WORK IN PROGRESS during L&N's big box car upgrading program.



Structurally sound box cars of 1947 vintage are being converted to 1962 models at the Louisville & Nashville's South Louisville, Ky., shops.

The converted cars will be given various built-in improvements and design features to meet today's traffic requirements. The program involves 200 of the road's 40½ ft, 50-ton box cars with 6-ft single sliding doors. All the cars are being lengthened by 10 ft. One hundred of the cars are getting staggered 15-ft double doors. The other 100 cars will become 70-ton units with 16-ft double doors on center.

All 200 cars will be completely upgraded and provided with new flooring, side and end lining, lading anchors and DF equipment. The converted cars will meet all AAR requirements for rebuilt cars.

The cars are being upgraded because the L&N's new incentive rates have created a demand for cars with higher capacity. Shippers are asking for 50-ft cars with wide doors to haul wall board, lumber, steel products and other bulky items. The L&N found it was cheaper to convert cars than to buy new ones. New Pullman-Standard parts—center sill extension, side sill reinforcements, roof side plates, door posts, side sill gussets, side sheets, underframe stringers—make the conversion fast and economical. Eighty-eight cars already have been completed. The road plans to turn out four cars a day until the entire program is finished.

Problem: What Loading of Cars Best Cuts Return Empty Miles?

Our Car Service Quiz based on the June 1, 1962, revision of the AAR's Car Service Rules was presented in this space on Aug. 20 (p.15). The solution is at right. Names of railroad employees and others who submitted 100% correct solutions are also listed. Eighty-three persons sent in answers. Of them, 60, or 72% of the total, submitted fully correct answers, and 23, or 28%, submitted answers containing one to three errors.

It will be noted that by appropriate assignment all the cars were "at home" at the billed destination, not incurring any road haul empty mileage to reach the home road. In three instances cited, where either of two ownerships could be used without creating empty mileage for any of the cars involved, whichever ownership was used has been considered correct.

The two additional questions accompanying the Quiz did not elicit many answers, although the factors involved are important to efficient and economical transportation. The correct answers to the two questions follow:

(1) Car hire on private line refrigerator and tank cars is based on mileage rates of 4.35 cents and 5 cents per mile on refrigerator cars, and 5.5 cents per mile on tank cars, including both loaded and empty mileage.

The penalty against a carrier for erroneously accepting an empty private line car from a connection without record rights, or contrary to instructions, is the mileage charge that accrues against that carrier, without any compensating freight revenue.

A forum for railroaders who want to explore questions of importance to their industry, this department welcomes both questions and answers from readers at all levels of responsibility in the industry and associated fields. We'll pay $10 to any reader submitting a question that forms the basis for a column discussion. Address correspondence to Question and Answer Editor, Railway Age, 30 Church St., New York 7, N.Y.

Here is the correct solution to the quiz:

DESTINATION	CAR USED	MILES TO HOME JCT.	DESTINATION	CAR USED	MILES TO HOME JCT.
Albany, N.Y.	D&H	0	Omaha, Neb.	UP or CRI&P	0
Atlanta, Ga.	AW&P	0	Omaha, Tex.	StLSW	0
Camden, N.J.	RDG	0	Portland, Me.	MEC	0
Champaign, Ill.	NYC	0	Portland, Ore.	SP or UP	0
Charleston, S.C.	SAL	0	Pueblo, Colo.	D&RGW	0
Ft. Wayne, Ind.	NKP	0	Saginaw, Mich.	C&O	0
Joliet, Ill.	EJ&E	0	San Francisco	WP	0
Memphis, Tenn.	GM&O	0	Tucumcari, N.M.	CRI&P or SP	0
Montreal, Can.	CPR	0	Wilkes-Barre, Pa.	PRR	0

(2) The cost of delaying the unloading of "system" cars with company material is the per diem paid on foreign cars mis-used to protect revenue loads, in lieu of the delayed system cars that are involved.

Gill Smith, yardmaster of the St. Louis-San Francisco at Kansas City, Mo., was the only person who submitted fully correct answers to the two additional questions.

The quiz was prepared by Harold P. Hannan, transportation consultant and retired director, freight car utilization, New York Central. Mr. Hannan also submitted the two additional questions.

●

Here are the names of the winners:

ASSOCIATION OF AMERICAN RAILROADS-Car Service Division: Thomas H. Myers, Troy, N.Y.; H. Gordon Randall, New York, N.Y.; Richard E. Shelgren, New York, N.Y.; H.D. Summers, Cincinnati, Ohio; J. Stewart Swift, Detroit, Mich.

ARCATA & MAD RIVER: John E. Leavitt, Blue Lake (Humboldt County), Calif.

ATLANTIC COAST LINE: William R. Wright, New York, N.Y.; D. B. Griffin, Ft. Pierce, Fla.

BALTIMORE & OHIO: T. S. Woods, Baltimore, Md.;

BELFAST & MOOSEHEAD LAKE: W. I. Hall, Belfast, Me.

BOSTON & MAINE: Frederick W. Trombley (retired), W. Meadow, Mass.

CANADIAN PACIFIC: R.J. Sabourin, Toronto, Canada.

CHESAPEAKE & OHIO: David E. Crawford, Saginaw, Mich.

CHICAGO, BURLINGTON & QUINCY: Bob Clarkson, St. Louis, Mo.

CHICAGO & NORTH WESTERN: J. D. Parr, Edmonton, Alta., Canada.

CHICAGO, ROCK ISLAND & PACIFIC: D. H. Noble, Chicago, Ill.

DELAWARE & HUDSON: Donald G. Bender, Chicago, Ill.

DENVER & RIO GRANDE WESTERN: F. S. Pruente, Detroit, Mich.

ERIE-LACKAWANNA: D.C. Albertson, Utica, N.Y.; Elston A. Blair, Mansfield, Ohio; T.E. Schlingman, Mansfield, O.; Edmund C. Wilson, Detroit, Mich.

GULF, MOBILE & OHIO: Walter R. Rooney, New York, N.Y.

MILWAUKEE ROAD: J. T. Gregerson, Detroit, Mich.; R. P. Huntsman, Tacoma, Wash.; Ernest A. Lehman, Elgin, Ill.

MISSOURI PACIFIC: Stanley Barriger, St. Louis, Mo.

NEW YORK CENTRAL: Edw. P. Evert, Jr., Chicago, Ill.

NEW YORK, CHICAGO & ST. LOUIS: Emil J. Raba, Cleveland, O.

NEW YORK, NEW HAVEN & HARTFORD: P.T. King, Pittsfield, Mass.

NORFOLK & WESTERN: H.E. Peck, Kansas City, Mo.

PATAPSCO & BACK RIVERS: D.W. Kleinhans, Baltimore, Md.

(*Continued on next page*)

PENNSYLVANIA RAILROAD: H. F. Carter, Canton, Ohio; Wm. J. Bailey, Philadelphia, Pa.; Norman F. Ford, Jr., Philadelphia, Pa.; Leonard P. McKnett, Easton, Md.; Robert E. Phillips, Los Angeles, Calif.; C. Edgar Williams, Erie, Pa.

READING: Jas. J. Bross, Reading, Pa.

ST. LOUIS-SAN FRANCISCO: K. K. Kluthe, Joplin, Mo.; Gill Smith, Kansas City, Mo.

SOO LINE: R. L. Whitted, Boston, Mass.

SOUTHERN PACIFIC: Edmund J. Von Nordeck, Colton, Calif.; Robt. G. Rodell, Los Gatos, Calif.

TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS: Henry F. Lauber, St. Louis, Mo.

UNION PACIFIC: Robert B. Batchelder, Portland, Ore.; Harold E. McLain, Oakland, Calif.

WABASH: O.G. Horn (retired), Overland, Mo.; Roy McHenry, St. Louis, Mo.

NON-RAILROAD EMPLOYEES: C. G. Gill, Washington, D. C.; Robt. L. Pettegrew, New York, N.Y.; Ken C. Brovald, Salt Lake City, Utah; Roy Carter, St. Louis, Mo.; Grant W. Cooke, Columbus, Ohio; A.B. McComb, Poughkeepsie, N.Y.; John Powell, Americus, Ga.; James Wilson, Staten Island, N.Y.; Ralph J. Staunton, Calif.; Charles E. Walker, Rochester, N.Y.

This was the problem

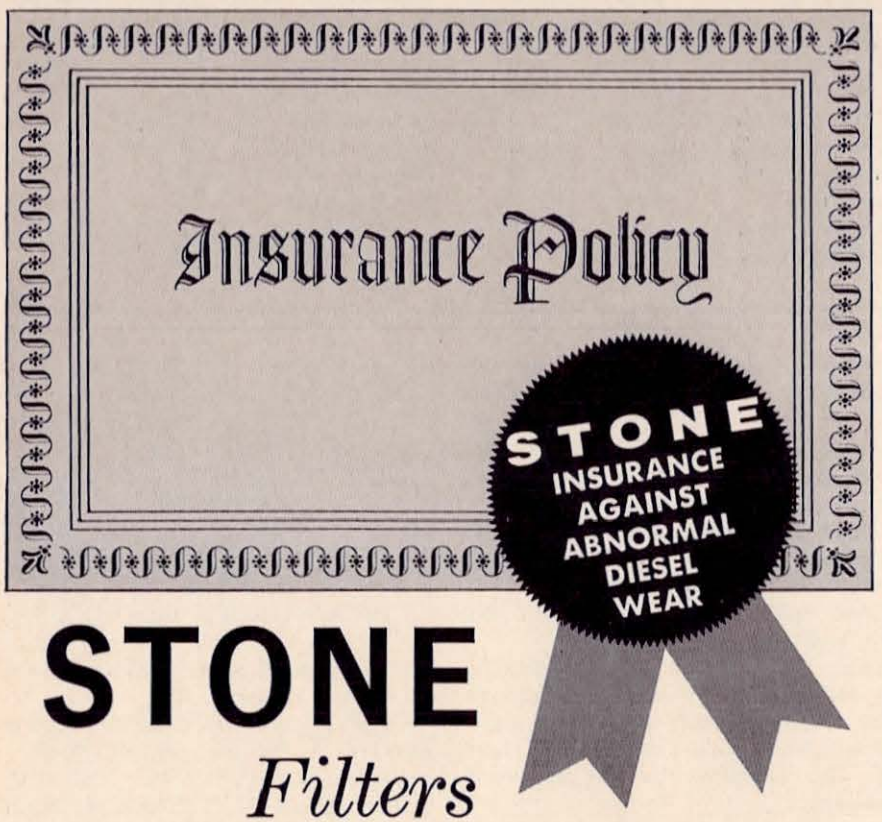
Industry "A" located on the New York Central in the Buffalo, N.Y., area loads a large number of 40-ft plain box cars to various destinations in all sections of the country. On a recent date, the traffic manager ordered from the car distributor 18 such cars for immediate loading to the following destinations:

Albany, N.Y.
Atlanta, Ga.
Camden, N.J.
Champaign, Ill.
Charleston, S.C.
Fort Wayne, Ind.
Joliet, Ill.
Memphis, Tenn.
Montreal, Can.
Omaha, Neb.
Omaha, Tex.
Portland, Me.
Portland, Ore.
Pueblo, Colo.
Saginaw, Mich.
San Francisco, Cal.
Tucumcari, N.M.
Wilkes-Barre, Pa.

The following ownerships of suitable box cars were supplied to protect this particular order of the shipper:

Atlanta & West Point (A&WP)
Canadian Pacific (CPR)
Chesapeake & Ohio (C&O)
Delaware & Hudson (D&H)
Denver & Rio Grande Western (D&RGW)
Elgin, Joliet & Eastern (EJ&E)
Gulf, Mobile & Ohio (GM&O)
Maine Central (MEC)
New York Central (NYC)
Nickel Plate (NKP)
Pennsylvania (PRR)
Reading (RDG)
Rock Island (RI)
Cotton Belt (StLSW)
Seaboard (SAL)
Southern Pacific (SP)
Union Pacific (UP)
Western Pacific (WP)

The loading foreman was thoroughly familiar with Car Service Rules and Special Car Order 90, including the Car Selection Chart, and did a good job in assigning the different cars to the various destinations for proper loading under the rules, avoiding to the maximum extent possible empty mileage that would be involved if the cars should be moved home empty after released from load. Can you do it?



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Filters
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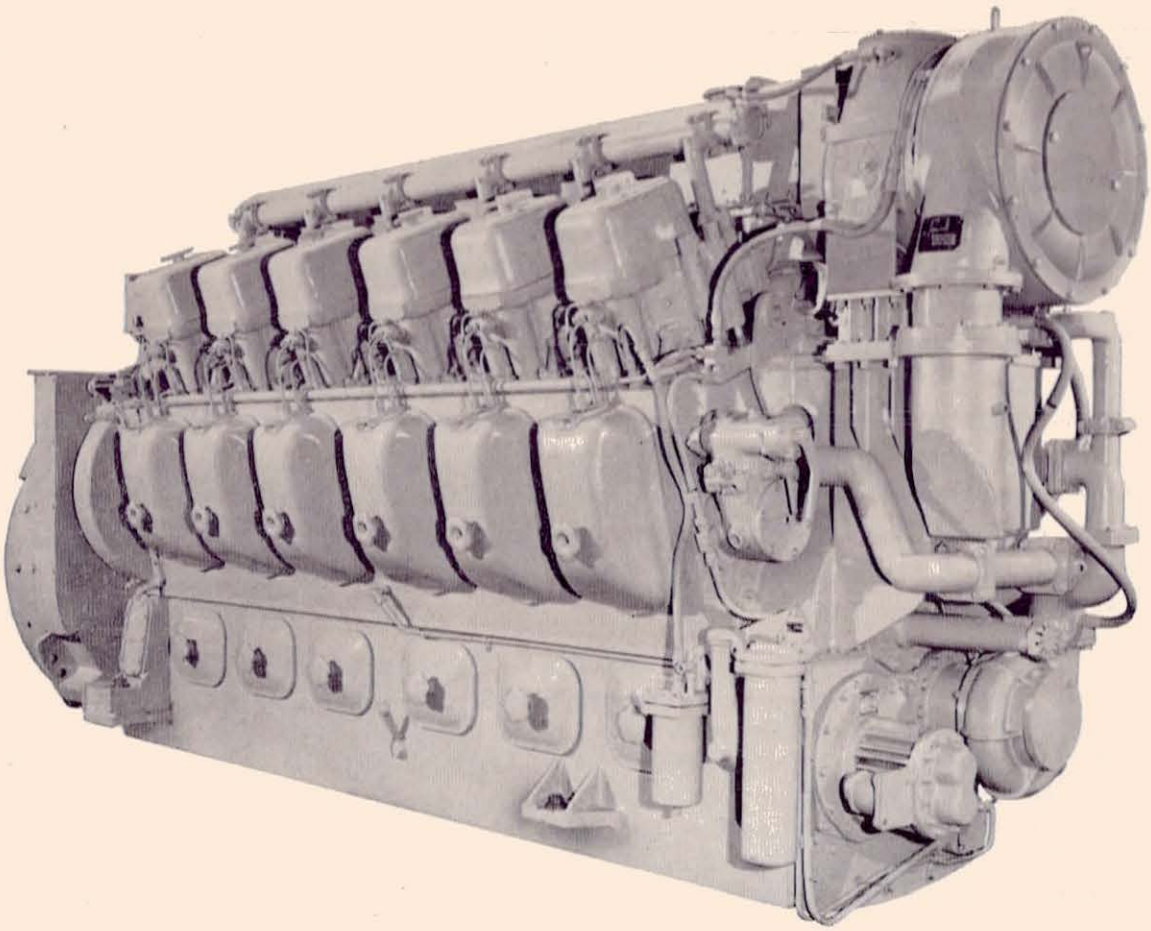

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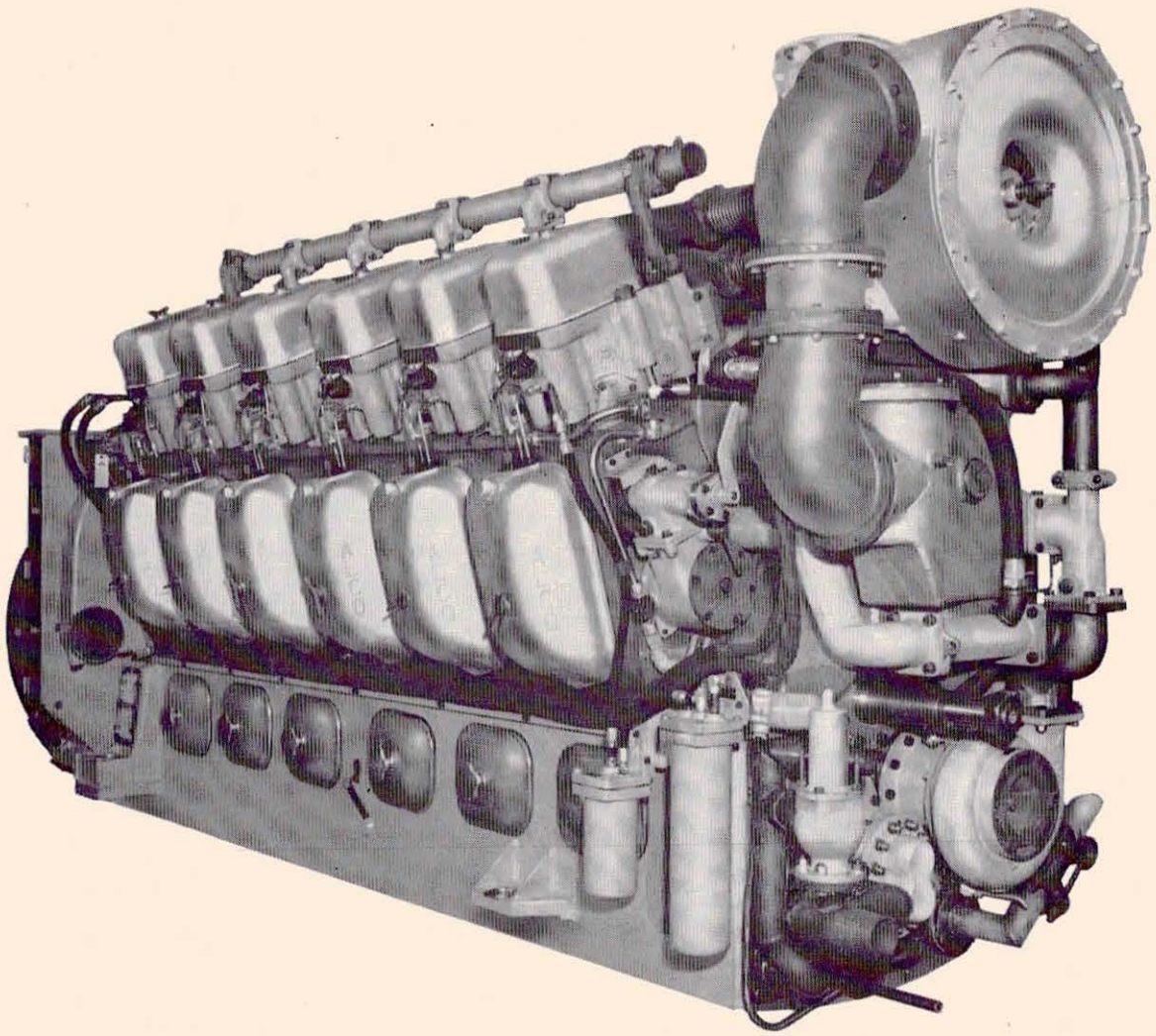

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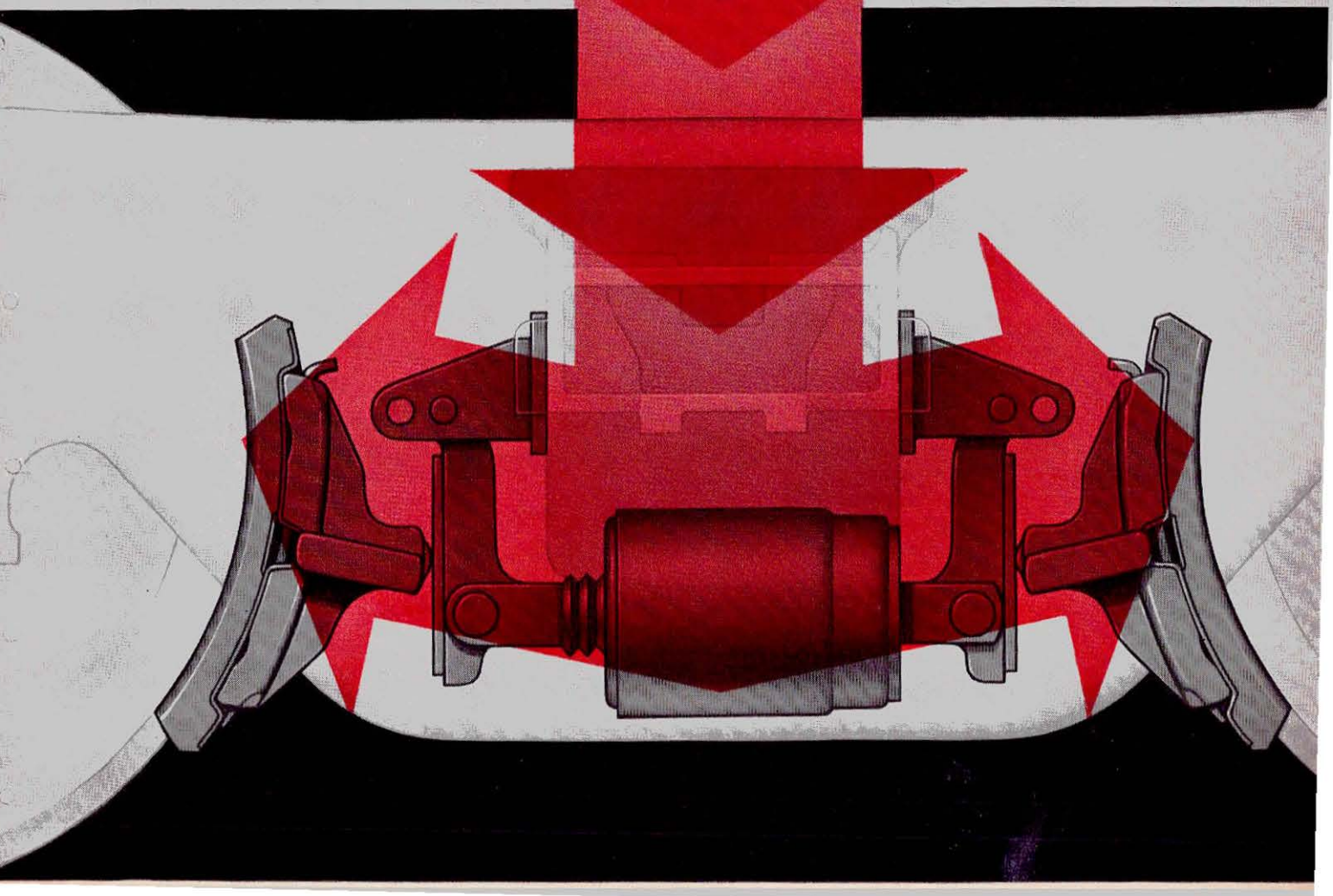


ICC Lets Southern Buy the C of Ga

► **The Story at a Glance: Southern's control of Central of Georgia, which has been approved by the ICC (RA, Nov. 12, p. 7), will make the former a 10,150-mile system and bring annual savings of $5,857,000. That figure is a Southern estimate, which the Commission's unanimous report by Commissioner Tuggle did not endorse specifically, but it did say the economies would be "substantial" and would "redound in large part to the benefit of the public, either through improved service or lower rates." Entry of an order, authorizing Southern to follow through from the favorable decision and consummate the acquisition, was withheld pending clearance (which is expected) of financing arrangements still under Commission consideration. The usual open-route and labor-protection conditions were imposed, the Commission having rejected as to the latter a bid of the Railway Labor Executives' Association for conditions of the "job-freeze" type.**

The ICC's decision approving Southern's control of Central of Georgia is a grant of Southern's application for authority to acquire trusteed CofGa stock owned by the Frisco, whose acquisition of it was condemned by the Commission as unlawful. Southern will pay $22,655,000 for the Frisco holdings, which represent a 71% interest in CofGa—111,187 shares of its 5% preferred and 249,987 shares of its common stock.

The purchase price will be what Frisco paid for the stock. On per-share bases, it amounts to $81.69 for the preferred and $54.29 for the common. A condition imposed by the Commission will require Southern to purchase CofGa stock from other holders on the same terms—if such holders tender it within 90 days after they are notified of Southern's offer, which must be made within 30 days after the Frisco holdings are acquired.

"Viewed solely from the standpoint of recent [CofGa] earnings," these prices "appear somewhat high," the Commission said, adding, however, that other factors, including prospective economies, left it with the opinion that "the consideration is just and reasonable and properly may be approved."

The estimate which put prospective annual savings at $5,857,000 was from the review of evidence which Examiner Bruce W. Card had in his proposed report recommending Commission approval of the acquisition. By reproducing much of this review in an appendix, the Commission was able to hold its own report to 25 mimeographed pages, double-spaced.

More than half of the prospective saving—$3,811,000—is assigned to Central, the remaining $2,046,000 being assigned to Southern. Shop and yard consolidations are the big economy prospects for both roads. They account for $2,929,000 and $1,616,000 of the respective totals.

To finance the acquisition from Frisco, Southern has applied to the Commission for authority to issue and sell $23,000,000 of general mortgage, 25-year bonds. This is the application which the Commission still has under consideration.

The present report refers to a Southern estimate that the proposed bonds "will sell in the market at a price producing an effective rate of interest of approximately 5%." On that basis, the increase in Southern fixed charges would be $1,150,000, the Commission noted. It then proceeded to calculate that the increase in fixed charges would be $1,600,000 if $32,000,000 of bonds were eventually issued, the additional $9,000,000 being what it would take to buy the non-Frisco holdings of CofGa stock.

'Not unduly burdensome'

Either such increase in Southern fixed charges "would not be unduly burdensome and would not be contrary to the public interest," the Commission continued, but it added:

"Applicant has not shown that it would be feasible for it to finance the proposed acquisition in the absence of a sale of its bonds upon reasonable terms. We are of the opinion that we may not grant final approval of the transaction until we are assured of applicant's ability to obtain the necessary funds on reasonable terms to acquire stock offered to it by minority stockholders, as well as to consummate the purchase from Frisco. Accordingly, we will withhold entry of an order pending the making of necessary financial arrangements by the applicant and the granting of such authority as may be required under Section 20a of the Act."

Central, which is one of Southern's major connections, operates 1,925 miles of line connecting Savannah, Ga., on the Atlantic with inland points, including such other Georgia cities as Atlanta, Columbus, Macon and Albany, and Chatanooga, Tenn., Birmingham, Ala., and Montgomery. Southern operates 8,226 miles of line, extending from Alexandria, Va., on the north, Morehead, N.C., Charleston, S.C., and Savannah, Ga., on the east, Jacksonville, Fla., Palatka, Mobile, Ala., and New Orleans, La., on the south, and Memphis, Tenn., and East St. Louis, Ill., on the west.

Lines of the two systems are "predominantly complementary," the Commission said. Of some 398 stations served by Central, only 13 of them are served in common with the Southern. And while there might be some lessening of competition at those points, the Commission is "convinced" that "overall," the approved acquisition "will intensify rather than lessen competition for traffic in the area involved."

Effect on employees

About half of the report was devoted to a discussion of the prospective effect on employees and reasons why the Commission decided to impose only the usual labor-protection conditions. Here the Commission cited its favorable decision on the Erie-Lackawanna merger, wherein it took a like position, saying "conditions calculated to preserve unneeded jobs would unduly restrict the applicants in the establishment of most economical operations, would be wasteful, and would be in conflict with the objectives of the national transportation policy."

Southern estimated that between 814 and 824 jobs held by Central employees and four jobs held by its own employees would be eliminated. In view of the so-called "bumping" process, the Commission recognized that the result would be "substantial hardship to many employees and their families." It went on, however, to predict that remaining jobs "will be made more secure."

"In this connection," the report added, "it is noteworthy that, without any coordination such as that planned, the average number of persons employed by Central has been reduced from 6,737 in 1945 to 3,421 in in 1960. The future of all employees of Central is far from bright unless this trend can be arrested. Affiliation with applicant will strengthen its ability to render adequate and efficient service and to continue its op-

erations on a sound financial basis. Some such affiliation appears necessary to avoid further deterioration of its earnings and competitive position and, possibily, insolvency."

Southern estimated that it would cost about $20,000,000 to provide the required employee protection over the four-year period involved. The Commission called that estimate "grossly excessive," because it "fails to take into full account the reduction in displacement allowances which would accrue from death, retirements, and compensation received by displaced employees in other employment, etc."

The employee-protection conditions imposed are the so-called New Orleans conditions. The Commission did modify them in minor respects," as it said. The modifications relate to procedures for settlement of disputes as to application of the protection to specific employees. Meanwhile, the ICC rejected RLEA's plea for extension of the protection to Frisco employees who might be adversely affected.

Frisco denied that any of its employees would be so affected, and the Commission said: "Frisco is a party to the transaction only in the capacity of a beneficial owner of the Central stock, and the transaction will not unify ownership or control of its railroad operations with those of any other carrier. We find that employees of Frisco are not employees which will be affected by our order within the meaning of Section 5(2)(f) and that we are not required to impose conditions for their protection."

Another RLEA contention

The Commission also dealt with another RLEA contention, i.e., that "it is against the public interest to treat the Central as a commodity to be auctioned off to the highest bidder." Here the Labor Association relied on the history of Frisco's acquisition of the stock, the Commission's adverse report on that acquisition, and the trusteeing of the stock pending a satisfactory arrangement for its sale.

The Commission agreed that it would not be in the public interest to auction Central, but it went on to emphasize its failure to "perceive that statement has any application to this case." The report added: "The manner in which the stock involved in the transaction is being held by a voting trustee, and the circumstances which led to creation of the trust are not material, and have been given no weight by us in determining that acquisition of control of Central by the applicant will be consistent with the public interest."

RAILROADING AFTER HOURS WITH JIM LYNE

SCHOLARLY TRAFFIC MANAGER—I note that a well-known industrial traffic man (Charley Kelly of the Aluminum Co. of America) has just been awarded a Ph.D. degree in economics by the University of Pittsburgh. This is the kind of degree you have to work for—it's not handed out *honoris causa.* Mr. Kelly's dissertation is an analysis of small-shipment transportation (all modes, 1946-59). I hope he sends me a copy, because I suspect there may be a few things about this traffic that may have escaped a layman's attention.

From some personal experience, I know that a fellow who takes on a large-scale academic project like this, while working full time at his regular employment, needs some degree of persistence to see it through. At the same time, I'm all for this so-called "adult education." With the facilities now available in most urban areas there's no longer an out for the fellow who says he regrets he "never had the chance to get a college education." The opportunity to get such an education and then some is at the elbow of almost everybody, unless his work keeps him in a smaller community.

I know a fellow who took a state university course in business administration, leading to a bachelor's degree—while working full time as a trick dispatcher.

PROGRESS DESPITE HANDICAPS—Santa Fe VP R. M. Clark handed me the other day a handsomely illustrated 32-page booklet entitled "Up-to-date Railroading in America," which tells the reader how the Santa Fe is constantly improving its plant, equipment, service, and methods, to satisfy the needs of shippers and passengers.

It's probably not every railroad in the country that can tell quite the appealing story (especially as to capital improvements) that the Santa Fe can. But almost every railroad has a lot of developments like this that it can report—and isn't it vitally important that it should do so?

Nobody wants to put his money on a dead horse—and that's the kind of animal a lot of people are trying to persuade the public the railroads are. Railroads are, on the contrary, very much alive. Only a really husky and healthy critter could take the abuse the railroads have and still show the vitality that almost all of them do.

GEOLOGY AND THE UP—The Union Pacific, it would appear, played a central role in getting the science of geology off to a good start in the U.S., and at Yale University in particular. As related in an article by Geoffrey Hellman in the New Yorker magazine, it all started back in 1868. Yale Paleontologist Othniel Marsh was then nosing around for fossils in the western plains when he stumbled across some mighty interesting ones at the UP station at a point then known as Antelope Springs, Neb. This discovery led soon after to the uncovering of one of the biggest fossil areas ever unearthed anywhere—including not only Western Nebraska, but Wyoming and South Dakota as well.

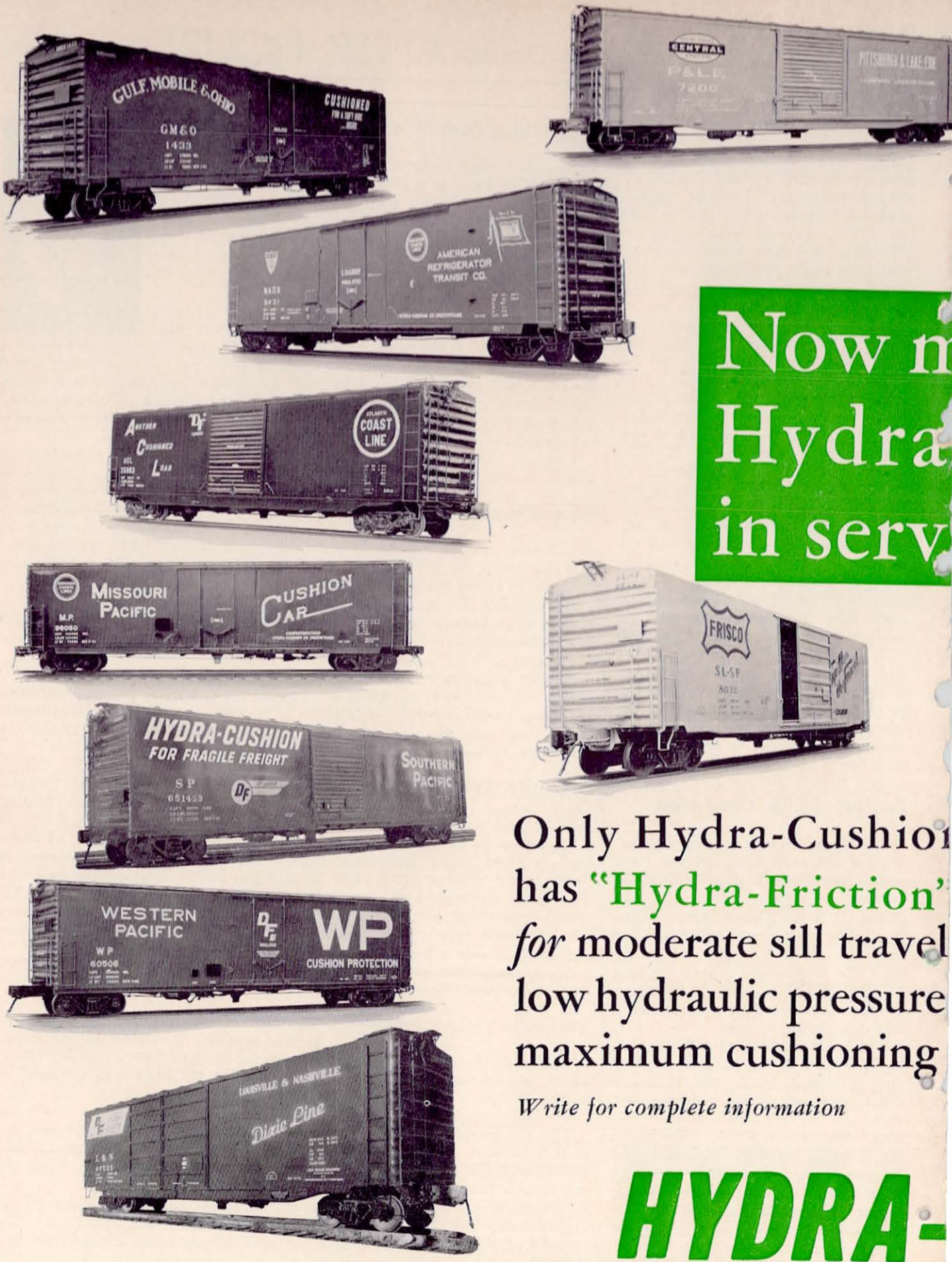
This big discovery got Yale's Peabody Museum off to a flying start, and also firmly established the institution as a leader in geological research.

'DISEMPLOYMENT FACTORS'—This caption appears on a piece by a perceptive feminine economist—Helen Bugbee by name—in the current (Fall, 1962) issue of Modern Age magazine. The so-called "annual improvement factor," used to jack up wage rates annually, she labels, instead, a "disemployment factor"—since it automatically wipes out a determinable number of jobs.

The volume of employment, the lady insists (and anyone who'll look and think hard must agree with her), is controlled by the volume of profitable sales. Unless someone can sell the product of an employee's work at a profit, that employee is headed for unemployment; or for the charity rolls.

I regularly receive from the lithographers' union beautiful samples of their craftsmanship—which they distribute in a constant effort to increase the volume of sales of lithograph work—hence the need of employers for skilled help at the trade.

I don't know of any other union that recognizes so clearly the ultimate dependance of employees' welfare on the employer's prosperity.



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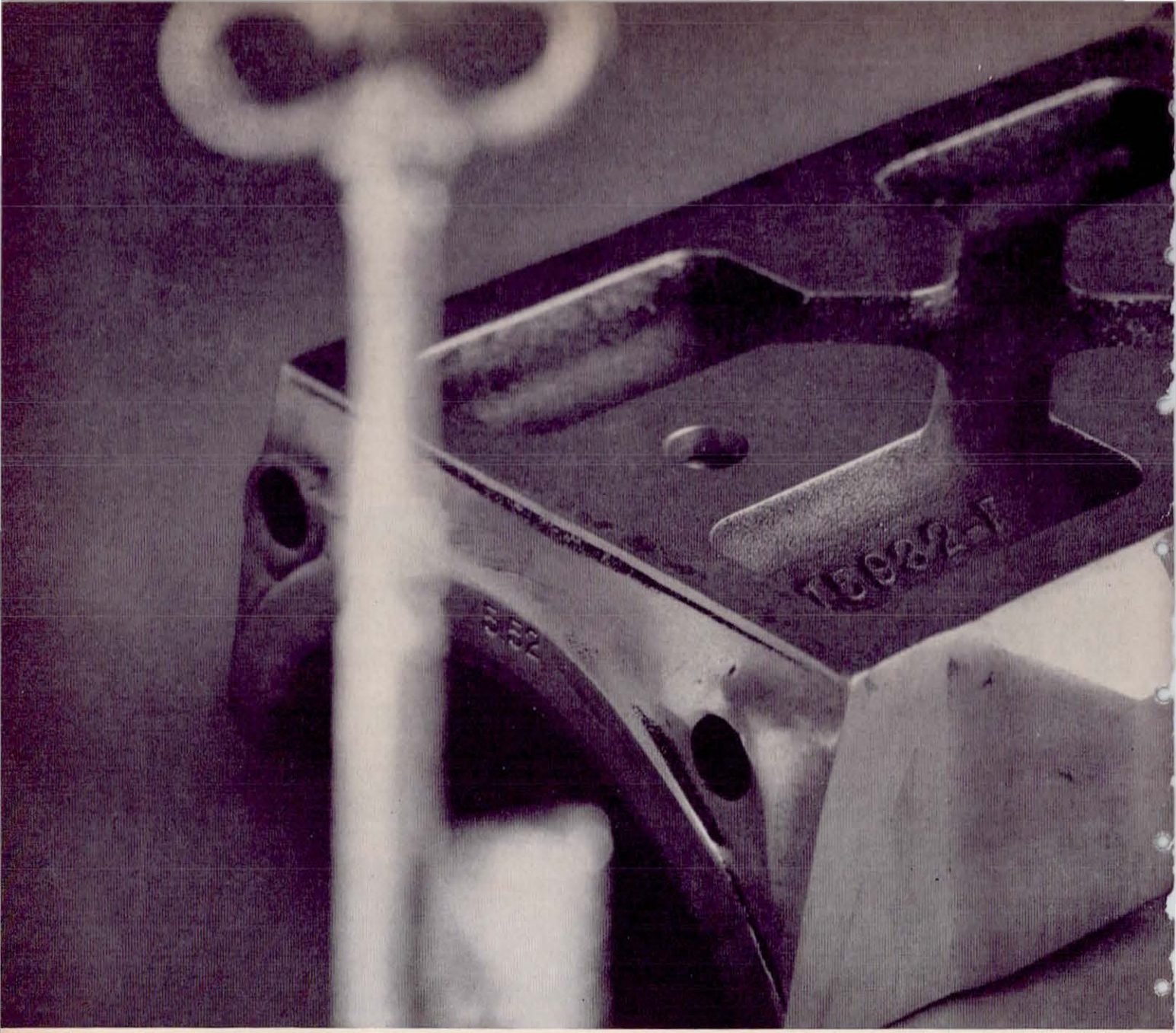

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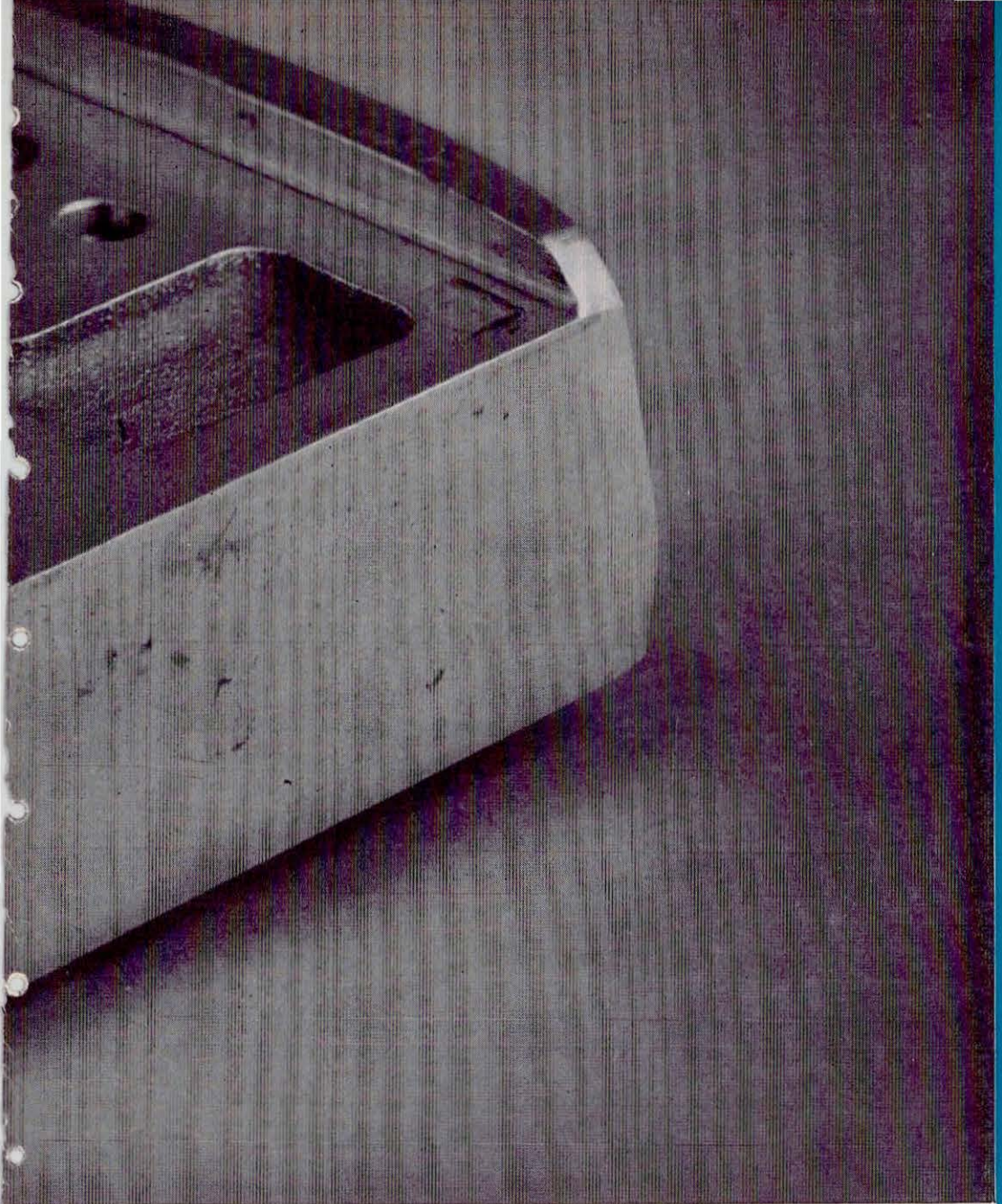

Flatback Bearings

The current flatback bearing was developed by American Brake Shoe especially for freight car service. These bearings stabilize the journal bearing assembly and improve journal bearing performance at minimum cost.

Tests show why: With a stabilized bearing assembly the sealed box becomes practical. An inexpensive Absco dust guard keeps oil in the box, keeps dirt and water out. The Absco lubricating pad provides the positive oil feed essential to better bearing performance.

Result: fewer hot boxes, lower costs, improved service. You get all three with an Absco positive control flatback bearing in a sealed box. Be money-wise. Ask your American Brake Shoe representative about Absco positive control flatback bearings. RAILROAD PRODUCTS DIVISION, 530 Fifth Avenue, New York 36, N.Y.

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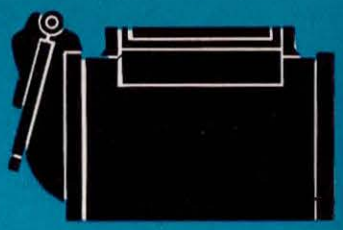

THE SEALED BOX

The sealed box has made possible a significant improvement in journal bearing performance. It has worked so well that hundreds of freight cars equipped with sealed boxes are now in test on a 48-month repack period—designed to coincide with air-brake cleaning and inspection.

KEY TO THE SEALED BOX is the Absco positive control flatback bearing. It makes possible the three steps essential to the sealed box.

1. STABILIZE—The Absco flatback bearing provides positive control of journal bearing movement by stabilizing the axle . . . without expensive journal stops and box modifications.

2. SEAL—The Absco dust guard keeps oil in; keeps dirt and water out. It fills the dust guard well . . . does not drop down onto the journal when the axle shifts laterally, is not damaged when axle moves back. Its sealing action is not impaired under impact or misalignment.

3. LUBRICATE—The Absco lubricating pad provides positive oil feed to the bearing assembly. It holds and feeds ample quantities of oil under all operating conditions. Durable Absco pads are reversible (two contact surfaces) for greater economy.

RI, Southern, L&N, T&P Win RPI Awards

Rock Island's 1962 advertising captured Railway Progress Institute's Golden Freight Car award as having done the "most effective promotion of railroad freight traffic." Other award winners were the Southern, Louisville & Nashville, and the Texas & Pacific.

Presentations were made last Thursday evening at the RPI's annual dinner, held at the Waldorf-Astoria Hotel in New York.

RI's sales messages were based upon a direct approach. Says advertising manager Joseph O. Howard, "We gave shippers *concrete* reasons for shipping via Rock Island." RI's method? "Isolation of specific Rock Island strengths—to avoid talking in vague generalities. No extravagant or sweeping claims." With this philosophical base, RI's Mr. Howard, working with RI's agency, Aubrey, Finlay, Marley & Hodgson, Inc., of Chicago, produced a series of ads that appeared in publications with large business audiences. "A car for every cargo," "10 direct interchanges with 45 lines," "Split-second communications," and "Portal-to-portal shipments" were headlines over the ads that began appearing late in 1961 and in 1962.

A second RI ad campaign aimed at "getting high readership without sacrificing a strong service story," featured macro-photographs (extreme close-ups) of leading revenue items carried by RI. The "What is it?" series got wide attention. It won an award, provoked widespread comment from customers, newspapers and, most importantly, "earned readership scores up to 200% above the average of all railroad advertising."

As a follow-up to the "What is it?" campaign, RI prepared six direct mail pieces aimed directly at traffic managers and sent them to 10,000 traffic managers in its territory over a four-month period. RI reports this direct mail campaign succeeded "in making traffic managers increasingly aware of Rock Island and its facilities."

A third major RI advertising effort was aimed specifically at businesses in search of a new home. A series of ads citing the virtues of RI cities and towns got results "exceeding our most optimistic expectations," according to Mr. Howard. "Through July 31, some 142 well-qualified inquiries have been received, a rate 22% above the previous year. Most remarkable, even readership reports were comparatively good (in spite of the rather formidable, copy-heavy appearance of the series), with 86% of those who noted the ads associating them with Rock Island, and nearly 30% of those who noted them reading most of the copy. Perhaps the most significant evidence of results is the fact that in 1961 Rock Island was fourth in number of industrial projects located or expanded, with estimated new revenue exceeding $6 million." Further mileage from the 12 industrial ads was gotten by RI by making them into self-mailer pieces for mailing, one per week, to presidents of 9,000 manufacturing companies with 250 or more employees.

'Get freight back on rails'

Southern's hard-hitting advertising captured an Award of Merit in RPI's Golden Freight Car competition for a continuing campaign to "get freight back on the rails and away from 'do-it-yourself' haulers, unregulated highway and barge carriers," in the words of Southern's B. E. Young, assistant to the president.

The Southern's advertising campaign, produced by Cunningham & Walsh in New York, concentrated on telling businessmen of its "more *useful* over-all freight traffic service geared to present-day needs of shippers." Southern's ads were as specific as a blow with a hammer. "Lower, money-saving rates," "New customer-oriented equipment designed to reduce still more the *shipper's* cost of transportation," and "Better service, in all its phases," were areas of concentration for Southern advertisements. Southern advertisements in magazines and newspapers appeared with headlines such as "Why Southern has offered reduced freight rates on grain moving to the South," "Meet 'Big John,' the big reason why Southern Railway can offer greatly reduced freight rates on grain. . . ." "It's 'all-door' and a box-car wide" (describing Southern's freight car with garage-door sides), "Southern Shippers save money—when the chips are down," (describing a new, easy-to-unload chip car designed by Southern), and "We chained down the cost of loading and bracing lumber," (describing Southern's chain-cars for lumber).

Louisville & Nashville's spectacular handling of an historical asset (possession of the Civil War locomotive, the General) also earned an Award of merit in RPI's Golden Freight Car competition for freight traffic promotion. L&N's public relations director, Warren A. McNeill, notes that use of the General, triggered by a 1961 request from the Governor of Georgia that the locomotive be given a part in Georgia's observance of the Centennial of the Andrews Raid (which occasioned the Civil War's famed great locomotive chase), proceeded under three guide lines. First, that the L&N recondition the General for Civil War Centennial commemoration use. Second, that there be no blatant commercialization of the General, but that use of the engine should always attempt to focus attention on the modern L&N. And, lastly, that, within the limits of L&N policy, maximum opportunity be given to L&N traffic men to participate and to use it to sell L&N service and to strengthen customer relations.

The results were national—and even international—in scope. Hundreds of newspapers, dozens of magazines, radio and TV stations climbed on the General's bandwagon and reported the General's progress through dozens of fairs, the World's Fair, and general showings. A commemorative run on April 14 represented a high point in radio-TV-newspaper and magazine space.

Another hard-hitting effort

An Award of Merit also went to the Texas & Pacific for a hard-hitting sales effort to "produce greater freight traffic sales and increased revenues." George A. Craig, vice president-marketing, described the complete re-organization of T&P's Sales and Marketing Department in terms of a threefold plan: "To increase the value of reports and records. To expedite essential statistics through data processing. To increase sales efficiency by reducing the reporting overhead of sales representatives." Goals were established for T&P's marketing effort: (1) to attain an 8% increase in freight revenue; (2) increase penetration of manufactured goods and miscellaneous commodity markets to get $40 million or more in this category, and (3) produce a 25% increase in net income.

The new T&P setup enabled its sales force to increase their number of customer calls by 30%. At the end of 12 months of operation, the new T&P sales and marketing department had (1) increased freight revenue 8.68%, (2) gotten M&M commodity market revenue of $43,180,495 and, (3) helped increase T&P net income 35.1%.

Suppliers Pledge Aid To Carriers

Members of the Railway Progress Institute last week reaffirmed their pledges of support to the railroad industry in broad and specific terms.

RPI's leadership was authorized to take any necessary action "to obtain for the railroads full equality of opportunity to compete in transportation and the freedom to manage their own affairs in accord with the American tradition." At the same time, members of the railway supply industry association approved creation of a committee on federal taxation to put RPI in a state of readiness to contribute its views to a proposed 1963 Congressional study of tax revision.

In looking back at 1962 developments in transportation, the association found much to be optimistic about (see box). It concluded its review of the year with a strongly worded renewal of a pledge of maximum support for the railroads' equality-of-opportunity and freedom-to-manage goals.

Specific action was authorized in one area—taxation, because "President Kennedy and others in the federal government have indicated clearly that the nation's tax structure may be completely overhauled at the next session of the Congress (and) it is predicted that every large industry having a national association will be called upon to participate in the discussions and studies leading to such a revision of federal tax policies."

As set up, the tax committee will have three assignments: To study "all aspects of federal taxation as they affect both the railroads and the railway equipment and supply industry"; to prepare to participate in discussions or hearings scheduled by the Congress or the Administration; and to recommend to RPI leadership "appropriate positions, policies and actions as developments may warrant."

More than 175 representatives of RPI member companies participated in the association's 54th annual meeting, held in New York, which opened with a fast-paced business session during which resolutions on support for the railroads and on creation of the tax group were approved.

RPI's annual Industry Outlook Conference was held Thursday afternoon, with panelists C. F. Bayer, director-purchases and stores, Erie-Lackawanna; Harold A. Berry, manager-purchases and materials, Rock Island; Owen Clarke, vice president-purchases and stores, Chesapeake & Ohio; M. P. Richards, vice president-purchases and stores, New York Central; and F. J. Steinberger, vice president and general purchasing agent, Santa Fe.

Members of the supply industry association also heard comprehensive review-and-outlook reports from a number of committees, including those on railway mergers and industry sales; passenger traffic; foreign trade; executive development; piggyback and containerization development; and railway supply financing. Another report came from the RPI Public Affairs Council, newest activity group, which was formed early in 1962 to direct and coordinate member activities in legislative efforts and to make recommendations on RPI advertising-public relations functions.

Approximately 800 RPI members and guests attended the association's annual dinner Thursday evening, at which the Golden Freight Car Award for outstanding achievement in freight traffic promotion was presented. The sessions concluded Friday with a meeting of the RPI governing board and executive committee.

1962: An 'Encouraging' Year

Members of the Railway Progress Institute took a look at 1962 in review last week—and they liked what they saw. Specifically, RPI cited 17 "important developments that should be encouraging to both the railroads and the railway equipment and supply industries":

- President Kennedy's message on transportation (which received the unanimous approval of the RPI governing board shortly after it was presented).
- Action by the Treasury Department and the Internal Revenue Service in revising and improving depreciation rates on rolling stock, plant and equipment.
- Action by the Congress in eliminating the 10% excise tax on rail passenger fares.
- Approval by the Senate and House Banking and Currency Committees of the Urban Mass Transportation Act (after extensive hearings in which RPI participated).
- The decision of the Presidential Railroad Commission "which, when finally put into effect, will relieve the railroads of much of the burden of featherbedding with which they are now plagued."
- The 7% investment incentive provision of the Revenue Act of 1962 which applies to certain railroad facilities.
- Settlement of the Telegraphers' strike against Chicago & North Western on terms "setting up the principle that a railroad must be free to decide employment questions without interference from labor unions."
- Extensive hearings held in both the Senate and the House on the minimum-rate bills and on the Transportation Act of 1962, which gave "the railroads and the RPI an opportunity to actively support the major provisions of President Kennedy's message on transportation."
- Enactment of the net operating loss carry-forward bill which permits railroads to carry operating losses forward for seven years instead of five.
- Passage by the Congress and approval by the President of a bill introduced by Sen. Smathers to provide "specific procedures and standards for the interstate operations of intrastate motor carriers."
- Approval by the Senate of a bill to repeal restrictions on the railroads' leasing of coal lands.
- Senate passage of a bill (also introduced by Sen. Smathers) to control illegal trucking operations.
- Refusal of the Congress to approve measures postponing ICC action on rail mergers; dealing with suspension of the mixing rule regarding bulk commodities; rewriting the rule of competitive rate-making; and granting the right of eminent domain for construction of coal-slurry pipelines.
- Passage by both houses of a bill providing tax relief for railroad joint terminal facilities.
- The extension of time (to June 30, 1963) for mass transportation demonstration grants made by Housing and Home Finance Agency.
- "A growing public understanding of and a nationwide editorial demand for correction of many inequities in national transportation policies and laws."
- The "sound appraisal of AAR President Daniel P. Loomis, who recently said: 'I predict that the railroad industry is on the threshold of a bright new future of service to the American people . . . and that later historians writing of this new renaissance in railroading will date it as beginning in this year of 1962'."

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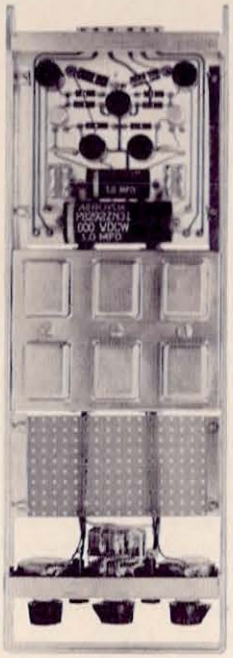

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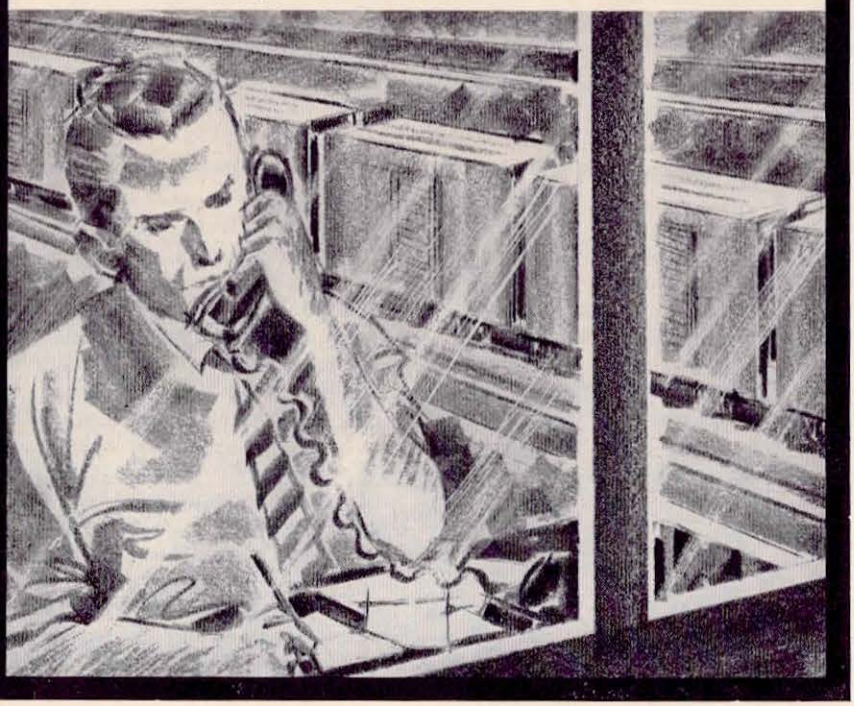


Letters from Readers

'Misuse of Data'

Philadelphia, Pa.

To the Editor:

The Nov. 5 Railway Age, page 30, reports on "Technology and Urban Transportation"—an auto-minded sales pitch comprehensive in its misuse of data. I have studied the full report and have discussed it with one of the authors. You will have done rail transportation an injustice if you do not report on the absolute fallacies (assumptions, according to the authors) upon which this "policy paper" for the White House and the Commerce Department are based.

The rail line example in the report is given a 27½% load factor on each round-trip, whereas buses are given 50%. In actual practice, such as in Philadelphia, we find the 50% about right for express buses but the subway runs 55%. The purpose of this, or at least the result, is to make transit costs per passenger-mile higher than auto.

The expressway bus operation is given a higher capacity than a railway. This is achieved by stopping rail trains every mile for interchange of passengers, but the buses never stop at all. The authors maintain it was not within the scope of their self-assigned assignment to provide downtown terminals, although the simple fact of a subway station provides a terminal for volumes up to 20,000 passengers one-way per hour. The bus example is obviously inoperable and would require a Port of New York Authority bus terminal at every stop—over which nothing could be more costly.

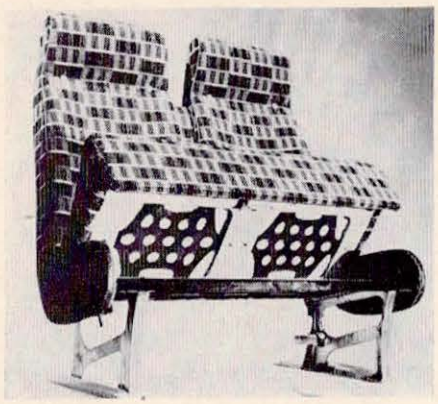
Rail operating costs are taken from the middle-cost actual operations, but the bus costs are based upon low figures which the authors think ought to be achieved. They did not include maintenance of equipment or fuel taxes in the June edition of the study. (The study, though dated June 1962, was just released recently.)

The simple facts of experience were ignored. It is not unusual for a rail rapid transit operation to achieve 55 rides per capita per year in its service area, but no express bus operation covering a wide area has ever achieved more than one-third of this. The reasons are plain. Bus costs are too high in this type of service, and the routes are too inconvenient if restricted to freeways or too slow if routed conveniently.

Because decision-makers do not get into these important details, it is very important that the facts be brought to the attention of all who make decisions.

E. L. Tennyson

NEW PRODUCTS REPORT *(Continued on next page)*



'Springless' Chair (RA-1)

The "bottoming out" and sagging common to conventional upholstered seats is eliminated in the Elastaseat, a chair designed without springs and padding for office and transportation use. The seat consists of a predominantly flat, molded platform of a tough elastomer stretched across the frame and held by integrally molded tabs or ears, or by metal inserts molded into the material which permit it to be hooked onto the frame. *Acushnet Process Co.*

Portable Heater (RA-2)

Heat is supplied in the Model 30, 3,000-Btu Therm'x Safety heater by catalytic combustion. The heater can be used in any enclosed area without danger of carbon monoxide, fumes, or odors. It produces no flame and can be operated near combustible fuels or materials. The heating screen is larger than other Therm'x models, making it suitable for all outdoor and industrial uses, including heating engines and truck cargo vans. *Therm'x Corp.*

Function Generator (RA-3)

A new function generator is a portable test instrument designed to aid railroad personnel in checking the operation of, and making adjustments to, Servosafe hotbox detectors. Mounted directly over the aperture, or "eye," of the detector's infrared trackside journal box scanner, the instrument combines an adjustable source of radiation with coordinated gating impulses to provide true train simulation for rapid system test. *Servo Corp.*

Character Generator (RA-4)

The model DT-104 telegraph character generator provides a convenient, noiseless source of undistorted telegraph test signals for use in keyboard checkout and teleprinter ranging at local and remote positions. The unit transmits repeated RY, dot cycles and a repeated alternating pattern of any two telegraph characters selected by the 10 bit switches on the front panel. The characters are of standard baudot code with a 1.5 unit stop interval. Operation may be selected for speed of 45.5 or 74.2 baud (nominal 60 or 100 wpm).

The output keyer uses no mechanical parts, providing instead a semiconductor switch capable of keying loops of up to 130 volts and 70 ma. The distortion in the output from all causes is less than 2% at room temperatures of 68 deg F to 86 deg F and less than 5% over the entire operating temperature range of 32 deg F to 122 deg F. This all-transistor unit is housed in a covered, portable case 5 in. by 7⅜ in. by 3¾ in. deep, and operates from standard 115-volt AC, 50/60 cps power. *Digitech, Inc.*

Signal Tracer (RA-5)

A transistorized, pen size, self-contained signal tracer is ideal to locate and troubleshoot defective circuits and electronic components. It is suited for locating hum, oscillations, ground loop and breaks in printed circuit boards. Any low level microwatt audio or modulated radio frequency signal can be detected and then highly amplified by this instrument which will reproduce the signal through a high quality earphone. *Don Bosco Electronics Inc.*

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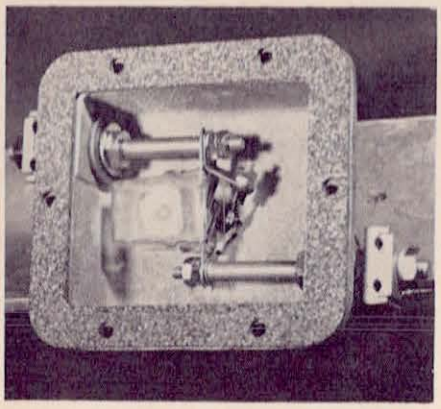
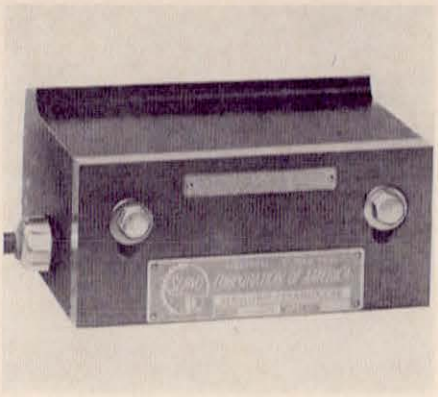
NEW PRODUCTS REPORT

(*Continued from preceding page*)



Silicon Rectifier (RA-6)

A high-current silicon rectifier with protector is mounted in a miniaturized cast iron housing arranged for placement between two ties. Known as the style ST-3 rectifier for AC-DC track circuits, the unit has 12-amp peak capacity and is protected by an equalizer and a fuse. It is completely waterproof for installing between ties. One weatherproof lug is on each side of the housing for track connections. *Transcontrol Corp.*



Transducer (RA-7)

A new transducer is a rugged, reliable magnetic variable reluctance pickup which responds to the passage of train wheels. The transducer—a basic component of the Servo Corp.'s hotbox detector, where it is used to control the velocity-proportioned gate of the infrared journal box scanners and to activate signals and alarms—also finds application in crossing gate control, speed measurement, wheel or car counting. *Servo Corp.*

Battery Charger (RA-8)

An automatic temperature compensated battery charger is designed for operation from 115 volts AC, 60 cycle service, and to automatically maintain five to six cells of lead storage battery (or eight to nine cells of nickel iron battery) in a fully charged condition and with automatic compensation for changes in ambient temperature. Input voltage may be matched to line voltage of 85 to 140 volts AC, 60 cycle. *Railroad Accessories Corp.*

Hotbox Detector (RA-9)

A new battery-operated hotbox detector operates at 24 volts DC. Its battery can be recharged at low level by a line-connected battery float charger. A new recorder designed for hotbox detector use is available with either ink or electric writing. Electric writing gives more reliable indication of high pips which represent hotboxes, says GE, but ink writing provides substantial savings in paper cost. The new recorder includes an amplifier with removable component boards for easy replacement.

A redesigned wheel pickup gives greater sensitivity at low speed and improved resistance to moisture and impact. A more readily portable alinement fixture has been provided which is more stable on the track.

One detector may feed information to two displays by using a new switching panel. In this way, information on one train may be stored while that train is switched to a siding, and a second train scanned and information shown on a second display. *General Electric Co.*

Telephone Switching (RA-10)

The Kelex 2000 system, a commercially feasible transistorized private automatic telephone switching system uses a random-selection principle, an exclusive ITT development of an end-marking self-seeking switching network employing PNPN semiconductor diodes. The switching network requires a minimum of control circuits.

The system is basically a space-division switchboard with time-sharing common control. A separate physical path for each simultaneous telephone conversation is provided. These connections are established by equipment common to the entire exchange and shared sequentially by the switchboard subscribers. The basic exchange accommodates 10 to 100 lines by simple insertion of plug-in modules. Power-unit input characteristics are: 90-130 volts, 55-65 cps, and 800 volt-amp. Cross-office switching time is 2 milliseconds; type of switching is space-division; line supervision is DC loop, impulse dialing; and crosspoint network is two- and three-stage cascaded array. *Telecommunications, ITT Kellogg.*

Surge Protectors (RA-11)

Selenium surge protectors to protect silicon diodes and controlled rectifiers against voltage surges are actually small selenium rectifiers, and also may be used to limit voltage surges across coils and contact-making devices. The new selenium protectors have a reverse voltage characteristic similar to a zener diode. They are impedance devices and are essentially resistive in nature. Surges often occur when transformer magnetizing current is interrupted when a rectifier is at no-load condition. Selenium surge protectors are offered by Fansteel in a variety of cell sizes and with a variable number of cells in series, since the magnitude of expected surges is proportional to the volt-ampere rating of the rectifier transformer. The maximum rms AC voltage rating depends on the number of cells in series in each arm of the suppressor, figuring 25 volts per cell. The maximum peak voltage rating is about 2.5 times rms voltage rating per cell. The surge protectors are rated 2,000-volt minimum insulation, 100 deg C ambient operating temperature. *Fansteel Metallurgical Corp.*

Market Outlook

Carloadings Drop 3.7% Below Previous Week's

Loadings of revenue freight in the week ended Nov. 10 totaled 586,286 cars, the Association of American Railroads announced on Nov. 15. This was a decrease of 22,328 cars, or 3.7%, compared with the previous week; a decrease of 19,067 cars, or 3.1%, compared with the corresponding week last year; and an increase of 21,691 cars, or 3.8%, compared with the equivalent 1960 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, November 10

District	1962	1961	1960
Eastern	82,624	86,949	79,400
Allegheny	94,814	100,788	91,755
Pocahontas	50,095	54,006	43,793
Southern	113,329	112,967	112,266
Northwestern	71,210	81,188	68,298
Central Western	132,037	128,080	128,018
Southwestern	42,177	41,375	42,065
Total Western Districts	245,424	250,643	238,381
Total All Roads	586,286	605,353	564,595
Commodities:			
Grain and grain products	65,664	57,370	66,669
Livestock	6,123	6,873	6,261
Coal	110,532	112,393	98,301
Coke	6,351	7,808	6,148
Forest Products	36,770	38,909	35,218
Ore	24,597	39,751	22,725
Merchandise l.c.l.	21,410	26,915	33,241
Miscellaneous	314,839	315,334	296,032
November 10	586,286	605,353	564,595
November 3	608,614	619,435	599,555
October 27	614,632	647,549	620,807
October 20	613,223	650,958	637,573
October 13	606,778	642,155	653,277
Cumulative total, 45 weeks	25,192,161	24,889,638	27,001,787

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Nov. 3 totaled 15,996 cars, compared with 13,498 for the corresponding 1961 week. Loadings for 1962 up to Nov. 3 totaled 599,298 cars, compared with 498,406 for the corresponding period of 1961.

IN CANADA.—Carloadings for the 10-day period ended Oct. 31 were not available as this issue went to press.

New Equipment

FREIGHT-TRAIN CARS

► *Atlantic Coast Line.*—Ordered 300 70-ton covered hopper cars from ACF at a cost of approximately $3,250,000. Delivery will begin in February 1963 at a rate of 16 cars per day.

► *New York Central.*—Has added 150 tri-level cars to its auto-rack-car fleet. NYC installed tri-level racks (produced by Whitehead & Kales) on 100 Pullman-Standard cars and on 50 ACF cars. Cars are leased from NYC's wholly owned subsidiary, Merchants Dispatch.

► *Norfolk & Western.*—Equipment acquisitions not previously reported include the following: from Pullman-Standard—14 70-ton, auto-parts box cars, $282,000; from General American—10 Airslide covered hopper cars, $151,000; from Ortner—12 50-ton bulkhead flat cars for transporting plasterboard, and five 70-ton gondola cars with bulkheads and removable roofs, cost unannounced.

► *Rock Island.*—Ordered 50 85-foot piggyback flat cars and 21 89-foot flat cars from Pullman-Standard for delivery by Dec. 1. The 89-foot cars will be equipped with multi-level auto racks, 18 tri-levels from Whitehead & Kales and three tri-levels from Dana.

► *Bad Order Ratio 1.0% Lower Than Last Year.*—Class I roads on Oct. 1 owned 1,566,865 freight cars, 54,068 less than on Oct. 1, 1961, according to AAR report summarized below. Bad Order ratio was 1.0% lower than on Oct. 1, 1961.

	Oct. 1, 1962	Oct. 1, 1961	Change
Car Ownership	1,566,865	1,620,933	—54,068
Waiting repairs	131,615	152,349	—20,734
Repair ratio	8.4%	9.4%	—1.0%

LOCOMOTIVES

► *Atlantic Coast Line.*—Ordered nine GP-30 2,250-hp diesel-electric locomotives from EMD at a cost of more than $1,500,000. Delivery will begin in January 1963.

► *Norfolk & Western.*—Announced the acquisition of 50 new diesel-electric locomotives at a total cost of more than $10,800,000. Included are 44 2,250-hp GP-30 road switchers from EMD, and six 1,800-hp road switchers from Alco. (RA, Aug. 6, p. 59.)

FOREIGN

► *Chilean State Railways.*—Requested worldwide tenders for 10,500 single and double helical, also semielliptical freight car springs to fit cars of 20-40-ton capacity. Specifications and drawings, in Spanish, may be obtained from Juan E. Knockaert, Pena, Jefe Servicio Adquisiciones, Depto. Materiales Y Almacenes, Ferrocarriles del Estado, Casilla 4742-Correo 2, Santiago de Chile.

New Facilities

► *Pennsylvania.*—Is constructing a new unloading facility for auto-rack cars at York, Pa., at a cost of $160,000. The new facility will be able to handle 75,000 automobiles a year.

Loomis: 'Time Is Fast Running Out'

The Cuban crisis and the state of alert which it produced in the railroad industry, AAR President D. P. Loomis declared last week, served as "forceful reminders of how vital it is to maintain the railroads in readiness to meet whatever transport demands the nation may suddenly impose on them."

Mr. Loomis told the annual AAR member road meeting in New York that the gravity of the international situation provides a "compelling reason for Congress to act next January on President Kennedy's transportation recommendations."

Railroads, the AAR president said, "are now meeting every transport demand the military makes on us—and we'll continue to do so. But we cannot afford to wink at reality. The dramatic revelation of Russian-built missile bases within striking distance of our shores underscores the fact that we can no longer count on advance warning as a safety factor in planning for any new emergency. Time is fast running out for correction of the serious deficiencies in the nation's transportation posture for defense."

Approval of the President's program, Mr. Loomis declared, "would bring about vigorous transport growth in this country through more equal treatment of competing carriers and increased reliance on competition rather than on tight government regulation . . . This is not the time to bow to selfish interests and sweep this program under the proverbial rug as has been the fate of a score of past studies. Rather, we should start moving now towards formulating a stronger transportation system geared to the needs of the space age."

The crisis in Cuba, the AAR chief executive noted, especially points up the need for more adequate railroad equipment and plant. Industry capital expenditures for 1962, he indicated, will total about $840 million, a 30% increase over 1961 figures.

But, Mr. Loomis said, "all railroad men recognize that this level of spending for modernization simply isn't big enough for either peacetime service improvements or wartime preparedness needs." He called for government action to make it possible for the railroads to boost modernization outlays to $1.5 billion a year.

The financial outlook for the railroads, he warned, "is shrouded with many uncertainties and is heavily dependent on general economic activity and upon action in Washington. Unless we are given the ability to compete on an equal basis, railroads will continue to be plagued by low capital spending levels and a low rate of return on investment, which at the present 2% is barely one-third that recognized as essential in other regulated industries."

IC-GM&O Studies 'Very Encouraging'

An Illinois Central study team, looking into the possibility of merger with Gulf, Mobile & Ohio (RA, July 16/23, p. 50) reported its findings are "very encouraging." An IC spokesman said there is still "a long way to go" but that prospects for a merger look very good.

Actual figures on the savings that an IC-GM&O consolidation would produce aren't expected to be known for another two or three weeks when the study is completed. If results are as encouraging as preliminary estimates indicate, negotiating sessions on terms of consolidation could start before the end of December.

Chicago & North Western, meanwhile, was keeping silent on any move it may be making to strengthen its position with GM&O. It was C&NW's purchase of approximately 13% of GM&O voting stock that triggered the IC-GM&O merger studies. GM&O's recent announcement that it had increased its fourth quarter dividend from 37½ cents to 87½ cents a share was welcome news to North Western, holder of 135,128 shares of GM&O common stock.

Another development of interest last week was the announcement by William G. Marbury, chairman, Mississippi River Fuel Corp., that "several hundred thousand shares" of Missouri Pacific's class A stock had been tendered following MRF's offer to exchange 1,200,000 shares of its stock for 900,000 shares of MP's class A. The 1 and 1/3-for-1 offer had been made contingent on receipt of all 900,000 MP shares. Mr. Marbury told a special stockholders' meeting that MRF has the option of accepting fewer shares or turning back those tendered. He said no decision had been made on whether or not to accept less than the desired number of shares. Stockholders at the special meeting approved the exchange offer which expires November 21.

Board Finds REA Still Rail-Oriented

The emergency board which investigated the wage and working-rules dispute between REA Express and those of its employees who are represented by the International Brotherhood of Teamsters, has recommended that drivers and helpers involved be given a wage increase of 10.28 cents per hour, and improved health and welfare benefits equivalent to another 6.34 cents per hour.

These are the principal recommendations of the board's report, which also passed on the several other issues in the dispute. The report was submitted to President Kennedy Nov 10. Members of the board were: Chairman Jacob Seidenberg, Robert Ables, and J. Glenn Donaldson.

The proposed settlement is along lines of that which REA made several months ago with the Brotherhood of Railway Clerks, the collective-bargaining representative for most of its employees. The IBT members involved in the present case comprise a little more than 10% of all REA employees, being 3,200 vehicle employees in eight cities—New York, Jersey City, Philadelphia, Cleveland, Cincinnati, St. Louis, Chicago and San Francisco.

On the issue of whether the wage pattern of the vehicle employees should be that of the railroads, or of the local cartage industry, the board recommends the Clerks' basis because it finds REA still a railroad- oriented business, despite the changes taking place in its operations. The proposed wage increase would be retroactive to July 1, the date on which REA employees represented by BRC got their raise.

Other recommendations of the board are that geographical wage differentials be eliminated; that the employees be paid for holidays not worked rather than a day off; that paid-vacation arrangements be liberalized; that overtime-pay scales be adjusted to provide for time-and-one-half after 11 hours of work; and that REA pay the cost of required em-

ployee uniforms, including cap, jumper and coveralls.

The board also recommends withdrawal of several IBT proposals, including its demands for premium pay for Saturday and Sunday work where these days are not the sixth and seventh work days, a work week of five seven-hour days, severance pay in the event of REA's dissolution, and an escalator clause to provide cost-of-living adjustments.

Among REA counter-proposals which the board favors is one that would allow management greater latitude for the development of its training program. The proposal is that trainees be allowed to hold temporarily some supervisory positions which, under present agreements, must be filled from the ranks of vehicle employees.

Truckers Seek Aid In Gray Area Fight

Legislative help from the states will be sought in 1963 by motor common carriers to put a stop to illegal trucking operations.

Terming the situation "the biggest racket since prohibition days," the regulated carriers estimate that 5,000 to 30,000 trucks move outside of the legal channels of commerce every day on the nation's highways. Traffic lost to the motor carriers is believed to be in the area of $5 billion a year.

The truckers will be calling on legislators in 45 states where legislatures will be convening during the first six months of 1963. New laws on the books to stop illegal freight traffic is their announced goal.

"In addition," says R. Edwin Brady, assistant executive director of the Regular Common Carrier Conference, "we strongly endorse the stepped up enforcement activity of the Interstate Commerce Commission in defining and prosecuting illegal trucking operations."

He said proper laws in only 16 "key" states would eliminate a substantial number of illegal operators. Proper laws in only four states—Illinois, Kentucky, Tennessee, and Mississippi — would curtail most of the coast-to-coast operations, and limited changes in laws in Kentucky and Virginia would effectively halt a large part of the illegal north-south traffic, he believes.

Mr. Brady said the most common abuses include conducting for-hire operations without the required state or federal authority; leasing of vehicles and drivers to shippers; "buy-and-sell" transportation, disguising for-hire transportation as "private carriage"; and operating "shippers' associations" under a corporate structure for profit.

The motor common carriers' aim will be the establishment of at least minimum state enforcement programs requiring (1) registration of interstate authority; (2) adequate leasing provisions for trucking operations; and (3) the power of arrest vested in the public utilities or public service commission personnel.

Expanding the Export Market

"American manufacturers' lack of success in expanding exports is due to their lethargy," Admiral John M. Will, USN (Ret.), president and chairman of American Export Lines, told the recent Virginia World Trade Conference.

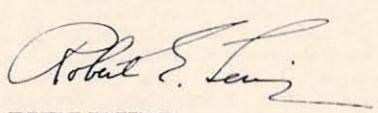
"The big problem is not foreign competition," he said. "It is not cheap foreign labor—it is not Communism's encroachment in foreign trade—our big problem is lethargy. . . . The average American manufacturer can see no further than the shores of his own country." He pointed out that only 4% of American manufacturers sell their products in foreign markets.

Admiral Will's remarks must be directed in the main to manufacturers outside the railway supply business, for it seems railway suppliers are aware of the potential the world railway market holds for them. Just last week the RPI devoted part of its annual meeting to a report of its Committee on Foreign Trade, a group that works hard the year 'round to bolster U.S. railway equipment exports. And if the growth of our own new International Railway Journal is any indication, Americans are increasingly promoting export sales—they will have used 158 pages of export advertising this year as against only 104 a year ago.

I wonder if there isn't a great opportunity for suppliers jointly to sponsor visits to this country by important foreign railroad men who are not in position to come on their own. This October, Simmons-Boardman brought Mr. K. Kourentas, manager, way and works, of the Greek Peloponnesan Railway (and since promoted) to this country. The railroads cooperated in furnishing free transportation and special considerations to him on a cross-country trip from New York to Seattle with stopovers en route.

Following a visit to a locomotive builder's plant, this railwayman was asked what impressed him most. His answer—that export locomotives were in the same production line, receiving the same material and workmanship, as domestic units. Apparently the impression abroad is that we save the best for ourselves, sending inferior equipment overseas. That's an impression quickly altered by a visit here. Of course, this was not by any means all Mr. Kourentas saw that impressed him.

The cost of his trip was not great. (Incidentally, the Alweg Monorail people helped us share the load.) But our stake in such a venture is relatively small; suppliers themselves have much more to gain. A cooperative effort to bring selected railway men here seems all on the plus side. Maybe if we'd bring more of them to see our plants and products, we could keep Admiral Will's outbound steamships full of railway materials.



PUBLISHER

PEOPLE IN THE NEWS

ATLANTIC COAST LINE.—**L. M. Smith** appointed supervisor of signals, Rocky Mount, N.C., succeeding **R. C. Royall,** who retired Oct. 31.

BUFFALO CREEK.—**Leonard T. Dlugosz** appointed agent—engineer, Buffalo, N.Y.

CHESAPEAKE & OHIO.—**William A. Hansen** appointed general agent, Milwaukee, Wis., succeeding **John R. Holleran,** retired Oct. 31. **William G. McIntyre** appointed general agent, Beckley, W. Va., succeeding **Charles C. Hoover,** transferred to Pittsburgh. **Jack G. Andrew** named freight service representative, Toronto, Ont., succeeding **D. W. Hayles,** resigned.

CHICAGO & EASTERN ILLINOIS.—**J. B. Stock** appointed coal freight agent, Chicago, succeeding **G. K. Green,** resigned. **R. J. Neubauer** named manager, coal rates, Chicago.

ERIE-LACKAWANNA.—**Robert Dean Lackland,** assistant general attorney, appointed assistant secretary, succeeding **Charles E. Post,** retired.

Fay G. Hill, supervisor of stations and car service, appointed freight agent, Cleveland, succeeding **C. H. Schlegel,** retired. Mr. Hill's former position abolished.

David M. Huggins, master mechanic, Youngstown, Ohio, transferred to Scranton, Pa., in the same capacity but with greater responsibilities. Mr. Huggins succeeds **L. G. Robinson,** promoted.

Duane J. Cripps appointed district sales manager, Dallas, Tex., succeeding **James A. Moore,** retired.

MISSOURI PACIFIC.—**Robert E. Rathert** named manager of stores, St. Louis, to succeed **R. T. Kennedy,** retired.

OFFICE OF TRANSPORTATION, HOUSING AND HOME FINANCE AGENCY.—**William B. Hurd** has been appointed deputy assistant administrator. Mr. Hurd has been on loan to the Office of Transportation since last May from the Management Analysis and Procedures Branch, Office of the Administrator.

PENNSYLVANIA.—**H. C. Archdeacon,** supervisor track—assistant trainmaster, Northern region, Reynoldsville, Pa., appointed assistant district engineer, Pittsburgh region, Pittsburgh, Pa.

SOUTHERN.—**J. M. Poovey** appointed assistant comptroller, Washington, D.C., succeeding **E. Bergelt,** retired. **J. E. Walters** appointed special accountant, Washington. Mr. Walters was formerly with American Viscose Corp., Fredericksburg, Va.

John W. Ingram, senior transportation analyst, Washington, D.C., appointed director, cost and price analysis there. **Randolph H. Moulton,** special equipment engineer, Washington, named superintendent, transportation services there. **Marion M. Boyle,** division freight agent, Atlanta, named assistant general freight agent there. **Harold Cummins,** division freight agent, Memphis, Tenn., appointed assistant general freight and passenger agent, Augusta, Ga. **Roy F. Smith,** district freight agent, Greensboro, N.C., named division freight agent there. **Melvin B. Coalson,** division passenger agent, Atlanta, named division freight agent there. **K. Donald Keeton** appointed district freight agent, Greensboro. **C. D. Driskill,** rate clerk, Washington, named assistant to general manager, rail-highway services at that point. **C. S. Stroh** appointed assistant manager of transportation, rail-highway services, Washington. **Lewis C. Mullis,** yardmaster, Charlotte, N.C., promoted to terminal trainmaster, Columbia, S.C. **Jimmie B. Waddle,** process engineer, Washington, appointed general diesel supervisor, Alexandria, Va.

Joel W. DeValle, engineer of bridges, Washington, appointed chief engineer, bridges and structures there.

SOUTHERN PACIFIC.—**J. L. Spivey,** assistant trainmaster, promoted to trainmaster, Dallas, Tex.

J. M. Halliday appointed assistant manager—data processing and **F. A. Arnerich** named assistant manager—systems research, San Francisco, Calif.

WABASH.—**Herbert A. Christ,** assistant to the president, St. Louis, retired after 46 years of service.

Supply Trade

Orville Ingram, district sales manager, eastern territory, at Washington, D.C., for the **Wine Railway Appliance Co.,** a division of Unitcast Corp., has been appointed sales manager at the executive offices in Toledo, Ohio.

Clarence P. Alicz has been appointed traffic manager, **North American Car Corp.,** to succeed **E. M. Cardwell,** retired.

L. L. White, Jr. has been appointed president, **Brandon Equipment Co., Inc.,** succeeding **D. I. Packard,** who becomes chairman. **Robert H. Waite,** formerly associated with **MacLean Fogg Co.,** elected vice president—sales. **T. E. McDowell,** vice president—engineering, has limited his activities due to ill health, but will remain with the company in an engineering capacity and continue as a director. **Keith W. Broling** named chief engineer. **Samuel Fesus,** formerly with **U. S. Railway Equipment Co.,** appointed service manager.

John C. Souders has been appointed general sales manager, **Arctic Traveler Division, American Manufacturing Co.,** Montgomery, Ala. Mr. Souders will be in charge of distribution and sales of all electric and mechanical transport refrigeration systems. **R. S. Warner** has joined the Arctic Traveler Division as midwest regional manager, at 555 West Road, Lombard, Ill.

J. R. Foreman, head of the Publications Department, **Vapor Corp.,** retired.

John P. Hooning has been named head of the San Francisco marketing office, **Pullman-Standard.**

George J. Schulte, marketing supervisor, has been promoted to marketing manager, Adhesives, Coatings & Sealers division, **Minnesota Mining & Manufacturing Co. Russell G. Tait,** industrial adhesives sales engineer in Michigan, has been named marketing supervisor, St. Paul, Minn. **Jack S. Alyea,** division sales engineer, Omaha-Des Moines area, has been promoted to marketing supervisor.

A. W. Bowling, Jr., director of marketing, **Magnus Chemical Co.,** Garwood, N.J., has been elected president. **B. H. Bailey, Jr.,** general sales manager, has been elected executive vice president and general sales manager. The following also were elected:

Orville Ingram
Wine

Clarence P. Alicz
North American Car

W. A. Mays, vice president and technical director; **L. Salz,** secretary and vice president in charge of lubricant sales; **R. D. King,** vice president in charge of national sales; **R. P. Edmonds,** vice president in charge of finishes and coatings sales; and **J. D. Holmes,** vice president in charge of international, marine and power plant sales.

Harold M. Nuss has been appointed plant manager, Smackover, Ark., railroad car maintenance facility of **Shipper's Car Line,** division of **ACF Industries, Inc.,** succeeding **John W. McDonnell,** transferred to the division's East St. Louis, Ill., plant. Mr. McDonnell succeeds **George H. Robinson,** resigned.

Stephen G. Harwood has been elected corporate vice president of **Poor & Company.** Mr. Harwood previously was in upper sales management for Alco Products and its affiliate, Montreal Locomotive Works, and subsequently was president of Canadian Car Co., Ltd., Montreal.

John W. Morris, division representative, Westinghouse Air Brake Division, **Westinghouse Air Brake Co.,** St. Louis, Mo., has been appointed Southwestern district manager there, succeeding **E. A. Frauenthal,** retired. **R. E. Fischer,** service engineer, Southeastern district, Washington, D. C., has been appointed Southeastern district engineer there, succeeding **Oscar Bergman,** retired.

James O. Heyworth has been appointed general manager of the newly acquired Barco division of **Aeroquip Corp.** Mr. Heyworth was formerly vice president of industrial sales for the **Barco Mfg. Co.,** which transferred all its operating assets to Aeroquip Corp. in a sale completed several weeks ago.

OBITUARY

C. Edwin Bell, 73, who retired in 1958 as vice president—passenger traffic and public relations, **Seaboard,** died Nov. 9 at Richmond, Va.

William G. Cook, retired railroad representative, **Lunkenheimer Co.,** died Oct. 17.

John H. Howard, 84, retired manager of the **Western Weighing & Inspection Bureau,** died Nov. 9 in Garfield Park Hospital, Chicago.

Bruce M. Jones, retired assistant to the president, **Buffalo Brake Beam Co.,** died Nov. 6.

E. J. Leonard, retired general storekeeper, **Chicago & North Western,** died Oct. 10.

T. A. Ryan, storekeeper, **Chicago & North Western,** Milwaukee, Wis., died Nov. 3.

YOU OUGHT TO KNOW

Six western carriers — Missouri Pacific, Southern Pacific, Frisco, Wabash, Western Pacific, and Texas & Pacific—are seeking a 10% hike in coach and first-class passenger fares, effective Dec. 15. The increase, like that sought by a number of eastern roads, would be equivalent to the amount of the expiring 10% federal fare tax.

The national defense posture of American railroads is one of readiness to meet any emergency transportation assignment, according to Wayne A. Johnston, president of the Illinois Central. "It will not take a 'crash program' by the government to put the railroads in readiness. They are ready every day of the year, and they have been for a long time," he said.

Two L&N passenger trains have picked up new customers—piggyback flat cars. Memphis-bound piggyback cars leave Louisville by regular freight train, and are added to the rear of a passenger train at Bowling Green, Ky., arriving at Memphis 24 hours earlier than was previously possible. Another L&N passenger train, plying between Cincinnati and Atlanta, picks up TOFC freight at Knoxville, providing a transit-time saving of 12 hours.

Federal-government guaranty of a $5,000,000 loan is being sought by the Lehigh Valley in an application filed with the ICC. The loan would reimburse the road's treasury for capital and maintenance expenditures made since Jan. 1, 1957.

Three more lubricators received conditional approval as of Nov. 15. The AAR Lubrication Committee granted that status to Oilrite, Centra-Feed, and Karpak journal lubricating devices. Thirteen lubricators had already received conditional approval. No lubricator has been granted full approval.

A new tank-car assembly plant will be built by North American Car Corp. near Texarkana, Ark. The facility, which will also be used as a freight car repair center, will be built on a 56-acre tract along Missouri Pacific's main line. It will be financed by the city of Texarkana through a $5 million bond issue and leased by North American for 25 years. Completion is scheduled for early fall of 1963.

The Pennsylvania-New York Central merger case now has a partial schedule for its out-of-Washington hearings. Examiner Jerome K. Lyle last week announced these dates and places: Dec. 10, Kalamazoo; Dec. 12, Detroit; Dec. 14, Cleveland; Dec. 17, Columbus; Dec. 19, Buffalo; Dec. 21, Rochester; Jan. 21-25, 1963, New York. The examiner also announced that the New Haven's case for inclusion in the merger will be presented at a Washington hearing February 11, 1963. Dates will be set later for hearings at points in Pennsylvania and at Boston, Mass. The present series of Washington hearings, which began Oct. 15, is still under way.

"Transportation for the Space Age" is the subject of the National Transportation Institute to be held Jan. 30, 1963, at the Conrad Hilton Hotel, Chicago. The institute, sponsored by the Transportation Association of America, Chicago Association of Commerce and Industry, Traffic Club of Chicago and other Chicago-area and national transport groups, will feature speakers from general business and industry as well as the transportation field.

National Steel Car Corp. of Canada, has signed a non-exclusive licensing agreement with Pullman-Standard to manufacture, sell and lease Pullman's Hydroframe-60 freight car cushioning device in Canada.

A "passenger potential" study was launched in the New York metropolitan area last week by the Tri-State Transportation Committee. Questionnaires seeking information on travel habits are being mailed to 500,000 households in an 11,000-square-mile area of New York, New Jersey and Connecticut. The area has a total population of 17 million. The survey, said New York Gov. Nelson Rockefeller, will guide the committee in developing an "immediate-action program for improvements in highway and mass transportation" to meet the needs of the area through 1970.

Congress could help in the rail industry's efforts to provide higher-quality service by making "just a few of the regulatory changes recommended by every transportation study group that has examined the railroad situation," Rock Island President R. E. Johnson told the Chicago Railway Special Agents and Police Association. "I believe that continued application of today's space-age technology to the job of railroading will produce undreamed of marvels of service and efficiency."

"The New Yorker," a new fast freight that operates at passenger train speeds of up to 70 mph, has been put into service by the Baltimore & Ohio between Chicago and the New York metropolitan area. The train is handling piggyback, livestock, perishables and freight moving in box cars. It leaves Chicago at 12:30 a.m., CST, arrives in Philadelphia at 9:50 p.m., EST, and in Jersey City at 2:00 a.m., cutting one hour and fifteen minutes off existing schedules.

Outlawing of strikes in certain vital Canadian industries has been called for by Canadian Pacific Vice President Ian D. Sinclair. He told the Federation of Canadian Personnel Associations that if such an industry and union cannot reach agreement in a contract dispute through collective bargaining, the strike should be settled by what in effect would be compulsory arbitration.

(Continued on following page)

YOU OUGHT TO KNOW CONTINUED

A $2,000,000 subway shuttle train will be put into service by a Fort Worth, Tex., department store (Leonards) to whisk customers from a free, 5,000-car riverside parking lot to the store. Leonards, which claims to be the first department store with its own subway system, plans to put five shuttle cars (each with 100-passenger capacity) into service in time for the Christmas shopping season.

The Grade Crossing Predictor, an electronic control device to activate crossing signals and gates, is being manufactured and marketed by The Marquardt Corp., Pomona, Calif., under a licensing agreement with Southern Pacific. Devised by SP's principal assistant signal engineer, A. C. Krout, the Predictor continuously monitors speed and position of approaching trains by transmitting electronic impulses through the rails. Transistorized circuits synchronize operation of warning signals with train speed. The Predictor also distinguishes between through trains and the no-pattern movement of switch engines.

The USSR views monorail as "the transport of the future," says a Soviet automation expert in an interview released last week by the USSR Embassy in Washington. Georgi Nartov, of the USSR Council of Ministers' State Committee on Automation and Machine Building, says construction will begin next year on a 15.5-mile monorail connecting Moscow's Eksperimentalny Posyolok Metro station with Vnukovo airport. A number of other monorails in all parts of the Soviet Union are in the planning stages. Cost is apparently a major factor in the USSR's decision to go in for monorail. Mr. Nartov estimates that the cost of suspended monorail will be about one-tenth that of an underground railway and "less than a surface electric railway."

Transportation executives at the policy-making level are invited to register for the eighth annual Transportation Management Program sponsored by Columbia University. Registration for the sessions, to be held Feb. 3-9, 1963, at Arden House, Harriman, N.Y., will be limited to 72. The program is under the direction of Professor Ernest W. Williams, Jr. Inquiries should be addressed to Hoke S. Simpson, director of executive programs, Graduate School of Business, Columbia University.

A panel discussion on "Transportation and Distribution" is to be included in the program of the Manufacturing Chemists' Association's midyear meeting at New York's Commodore Hotel Nov. 20. Panel participants will be C. A. Webb, member, ICC; E. G. Plowman, vice president—traffic, U. S. Steel Corp., and consultant on transportation research and planning for the U. S. Department of Commerce; and A. J. Fenaroli, traffic manager, Union Carbide Corp. J. G. Robison, GTM, Pennsalt Chemicals Corp. and chairman of MCA's Traffic Committee, will serve as moderator.

The 24th key-point facility to be put into operation by REA Express since 1960 was opened outside of Boston last week. The Newton terminal will serve a 448-square-mile area with a total population of some 660,000.

No passenger was killed, but 108 were injured, in September's train and train-service accidents, according to the ICC's Bureau of Transport Economics and Statistics. This compared with one passenger fatality and 147 injuries in September a year ago. Nineteen employees on duty were killed in September and 1,432 were injured, compared with 11 killed and 1,620 injured in September 1961.

Antiquated ticketing methods create headaches for USSR rail travelers, according to a recent article in *Komsomolskaya Pravda*. A survey by *Pravda* correspondents established that (1) reserved-space trains depart with hundreds of empty seats, although applicants for space are turned down; (2) centralized ticket sales have been unsuccessful because ticket agents must still "cut with scissors, write with ink, punch the tickets and count the money"; (3) ticketing machines have been developed but "the calculating and analytical machine plant . . . has refused to accept them for mass production."

Mass transportation has come to be a community responsibility, E. L. Tennyson, a Philadelphia transit engineer, told the Community Development Conference at Ohio State University. "Privately owned and operated mass transit systems would be ideal," said Mr. Tennyson, "but governmental policies and modern business practices have combined to effectively prevent its economic operation."

"Every one of our forms of transportation should be doing the job for which it is best qualified. We would have that today except for transportation subsidies, discriminatory regulation and unequal taxation," AWR President Clair M. Roddewig told the Midway Civic Club of St. Paul, Minn. He cited recent huge government appropriations for highways, waterways and air transportation facilities as examples of the competitive inequality in the transportation industry and warned the time is approaching "when there will be no trains running, unless the government runs them—at the expense of the taxpayers."

REPRINTS

Reprints of articles appearing in this issue are available in minimum quantities of 250. For information on prices, write to George Johnson, Railway Age, 30 Church St., New York 7, N.Y.

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Who's Cutting Off the Jobs?

It is self-evident that relatively few railroad unionists understand the major causes of the disastrous reduction in railroad employment since World War II. If they did understand, then they certainly have a sufficiently high concern for their own interests to have opposed (instead of actually favoring, at times) measures which have been destroying jobs.

Whose duty is it to inform employees of the facts of life on such questions? The responsibility devolves on both the union organizations and railroad managements. Inter-union rivalry is an impediment to complete candor in reporting on these questions in the union press. While some railroad managements have sought consistently to inform employees on these matters—such efforts have not been notably successful.

There are some aspects of this job-loss situation, though, where railroad unions and railroad managements should be able to see eye to eye. One of them is the extent to which governmental promotion of other forms of transportation has contributed to the decline in railroad traffic—and, as a consequence, to a reduction in railroad jobs.

The Transportation Association of America publishes estimates periodically of the ton-miles, passenger-miles and revenues of the several modes of transportation. For example, the Association reports 1961 railroad freight traffic at 573 billion ton-miles—compared with 665 billion in 1947. Meantime, truck traffic rose from 102 billion ton-miles in 1947 to 300 billion in 1961; and barge ton-miles went up from 35 billion to 124 billion.

The AAR's Bureau of Railway Economics has been making careful compilations of the enormously increased governmental expenditures on fixed-plant installations for highway, barge and air transportation; and the sadly diminished private investment in railway improvements. It would be possible for competent economists and statisticians to show the close relationship between the traffic figures of the various modes of transportation and the capital expenditures made in their behalf. And also to evaluate the subsidy element in below-cost charges for highway, barge and air transportation.

While railroad jobs are thus being sacrificed to government-financed competition, the unions are seeking protection by trying to force continuance of "make-work" practices, or to "freeze" jobs, or—failing these concessions—to collect ruinously expensive indemnities for laid-off employees. These expedients serve only to impoverish railroads still further and, as a consequence, to weaken them in their competition for traffic, leading to more lay-offs. A vicious circle.

The situation recalls the man who was desperate at the persistent annual increase in the size of his family and who was about to commit suicide by way of a remedy—but was stopped by the thought that perhaps he would be doing away with an innocent man.

Just so, when the unions lay blame and burden for reduced employment on the railroads—they are victimizing an innocent party. Careful study of the figures would undoubtedly prove that the principal author of declining jobs on railroads is Uncle Sam.

If unions and managements could be persuaded to work together in study and analysis of such a problem as this, where there is little occasion for disagreement, they might be moved, next, to explore some of the questions where agreement would be harder to achieve—but is no less urgent. One such area is the unions' fixation on their right to a periodic increase in wages and "fringe" benefits, regardless of the effect on the employer's financial health and his ability to sell his product.

Who Owes Whom a Living?

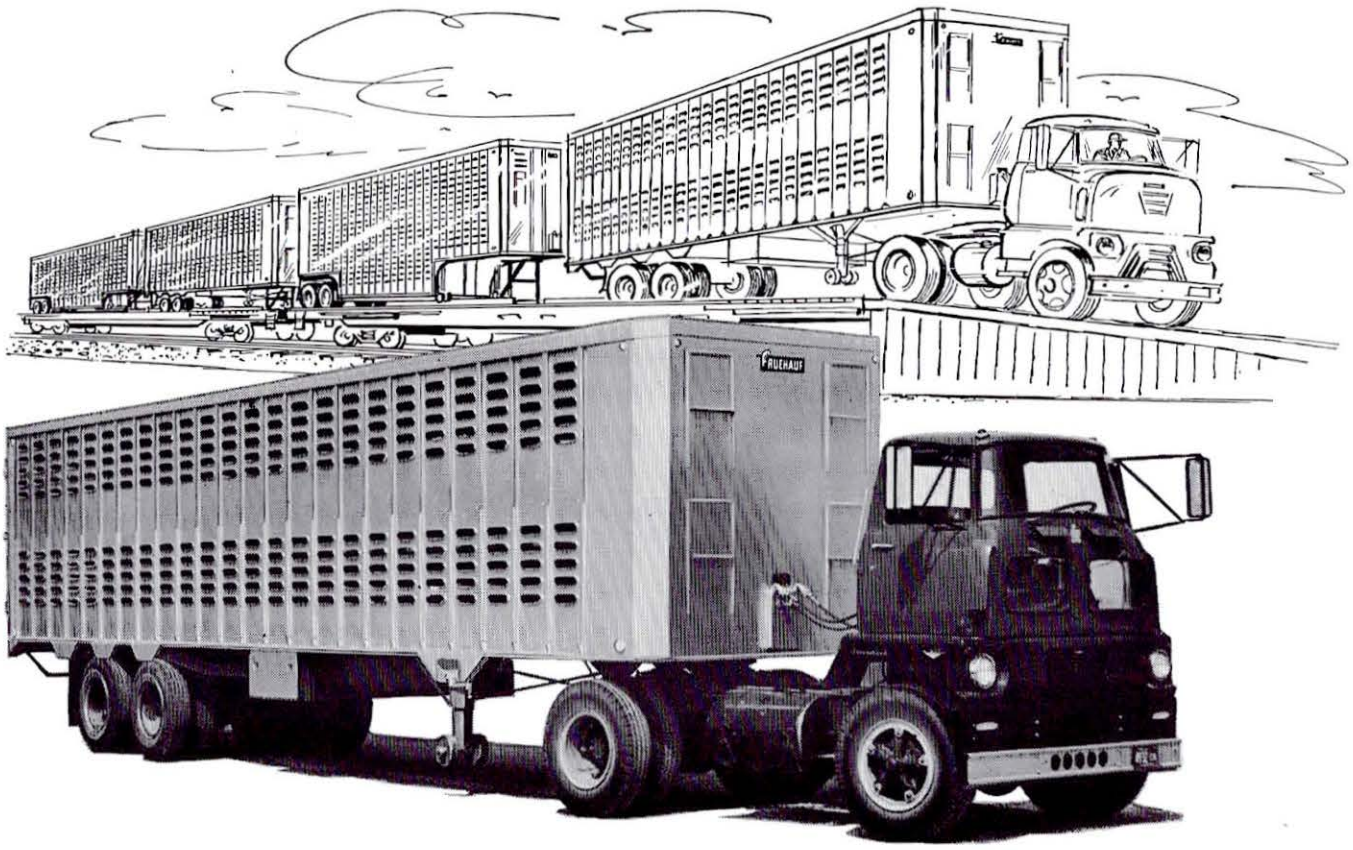
In an address at the University of Manitoba not long ago, Canadian Pacific Vice President R. A. Emerson made some observations regarding Canada's competitive position in world markets which are equally appropriate to the U.S. railways' competitive position in the domestic transportation market. He said:

"In the last decade, our rate of economic growth has declined in relation to that of other countries. We have become a high cost economy unable to compete in many lines with the modern industrial plant and lower wages of Western Europe and Asia. While we have succeeded in making a lot of people in this country believe that Canada owes them a living, we have failed utterly to convince the rest of the world that it owes Canada a living."

If you substitute U.S. railways where Mr. Emerson refers to Canada, you have a characterization applicable to the competitive situation confronted today by U.S. railways and their employees.

In a country where important questions of economic policy can be decided only through widespread popular understanding and consent, it is vitally important that the basic economic facts be generally understood.

The Communists, be it remembered, can make wise economic decisions (and are doing so right along, at least in the field of transportation) without recourse to democratic processes. For our form of popular government to hold its own in international competition, it must contrive equally effective means of achieving realism in making decisions, where national economic policy is involved.



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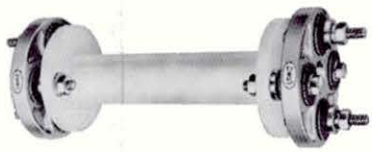

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